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# Latin America Report

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19 October 1984

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ANGUILLA

BRIEFS

COMPLAINTS AGAINST UK--THE VALLEY, Anguilla, Sept. 18, (CANA)--The people of this tiny colony have asked Britain to provide more funds to improve its economy and infrastructure. They have also suggested that Britain give the local Legislative Executive Council more say in running the affairs of the island, which broke away from St. Kitts and Nevis in 1967 and opted to remain under British control. The views of several islanders were aired during a meeting last Friday with a three-man team from the United Nations decolonisation committee. More than 600 islanders attended the meeting. The team heard complaints about inadequate spending on economic development and on essential services, including the provision of running water, in the island of 7,000. One of the repeated claims was that Britain had been neglecting the development of the Caribbean island, which some of those who attended the meeting charged was part of Britain's plan to force Anguilla into political independence. The committee, which said it had not come here to tell Anguillans what to do or how to run their affairs, was told that the majority was in favour of the island remaining a British colony--but with a better aid deal.  
[Excerpt] [Kingston THE DAILY GLEANER in English 19 Sep 84 p 7]

CSO: 3298/015

HECTOR, 'COMMUNIST GANG' HIT FOR HYPOCRISY ON SOUTH AFRICA

St Johns THE WORKERS VOICE in English 1 Sep 84 p 1

[Text]

People in Antigua and Barbuda today, especially young people must beware of two faced monsters like Tim Hector and his communist gang.

Hector has boasted openly that he would do anything and he means anything, in order to to destroy Bird. His latest attempt is his effort to drive the St. James Club from the shores of Antigua and Barbuda, because says he they have other investments in South Africa. Hector is the biggest hypocrite ever to grace the earth. Imagine when the Caribbean Congress of Churches (CCC) was trying to enforce a boycott against Barclays Bank worldwide because of their investment in the same South Africa, they sent their General Secretary at the time Rev. Neehall to Antigua to solicit the support of Hector and his communist ACLM in order to squeeze Barclays Bank.

You would never believe what Hectors' response to Neehall was. His reply went somewhat like this, 'This is one that we would have

to watch because Barclays Bank is too involved in the development of Antigua and Barbuda and even the whole region'. Can you imagine Hector being concerned about the development of Antigua and Barbuda? Since when? He has tried his utmost to drive away every investor from this country. Except of course Barclays Bank.

But why should he exempt Barclays? Well the answer is simple. Hector at the time of the CCC's attempted boycott borrowed a large sum of money from Barclays in order to purchase the property at the Villa in which he now lives from one Salmon. Hector at that time was also behind in his payments to this Bank which has the largest investments of all bankers institutions in South Africa. One must bear in mind that this was before Tim's Libya connection. With this connection, where money is no problem, probably if another approach is made now Tim and his communist would attempt to lend support, even though Bar-

clays is more involved in the development of Antigua and the region now especially in the field of Agriculture.

You young people in the country beware of this man especially the 1487 of you who have submitted applications to the St. James Club in order to gain meaningful employment.

These communist do not mind wrecking the economy of the whole country in order to destroy Bird and propel themselves into power in order to enslave us like their friends Coard did to the Grenada people.

There has not been one single investment in this country with which Tim and his communist have agreed with, yet they provide employment for thousand of Antiguans and Barbudans.

If the so called principles of a man can change so quickly because of a personal favour from an institution which he professes to detest what wouldn't he do to the rest of us.

CSO: 3298/001

ARGENTINA

UPCOMING CONGRESSIONAL ELECTIONS PREVIEWED

Buenos Aires LA NACION in Spanish 14 Sep 84 p 1

[Text] Only six months away from the first elections scheduled for 1985, President Alfonsin continues to be pushed by events into telling the voters that they should vote "for Alfonsin" or "against Alfonsin."

Opinion polls conducted since the Radicals took over the government indicate that the prestige of the president is greater than that of his party. The gap seems to be growing.

Now, with his partial veto of the banking stability law, Alfonsin has done two things, from the standpoint of labor: 1) take advantage of the space left by the CGT [General Confederation of Labor] with the failure of its futile strike on Monday, 3 September (the bankers helped point up the failure, curiously enough); and 2) demonstrate that it is possible to oppose such irritating privileges as those procured by bank unions.

While exercising the constitutional right to veto has served to preserve some confidence in the moderate sectors of the country in presidential action, it has also revealed that it is not enough for Alfonsin to be willing to stick his neck out for the candidates of his party -- national and provincial legislators, city council members -- in the 1985 elections. In addition, he must be ready to periodically pay a price for confronting the outrages of his friends in Congress.

Experienced politicians are beginning to perceive an attractive lack of skill in the leadership of the blocs of the party in government. Growing in their memory are the figures of the current minister of interior, Dr Troccoli, leading the bloc of deputies, and that of Dr Perette, now ambassador to Uruguay, heading the bloc of senators in 1973-1976. Thus, the leadership of Dr Ricardo Balbin over the memorable bloc of "the 44" deputies who fought the Peronist dictatorship in the 1940's now takes on gigantic proportions.

The law vetoed 48 hours ago by Alfonsin had the Radical vote in both chambers. Members of the Radical leadership in the Chamber of Deputies admit confidentially that they were surprised at the time by the speed of the handling of planks of the respective proposal. At times, a mistake is worse than a crime.

What is now important is that after this event and the terrible setback suffered by the governing party at the beginning of its administration with the fate of the trade union law in the Senate, and after so many stumbles such as those caused by the fact that UCR [Radical Civic Union] lawmakers did not realize the importance of the Senate Accord Commission, observers are now wondering whether the time will not come when Alfonsin, with the greatest courtesy, asks: "Do our lawmakers have any idea of the reasons why many of them are sitting where they are?"

Furthermore, accustomed to using a political language that requires reading between the lines -- perhaps because of the multiplicity of audiences to which he must simultaneously speak -- the president gives the impression that he cannot easily find limits for his tremendous oratory vocation. With that style, the terseness of his remarks concerning the way in which the Italo case was conducted thus permit one to infer that the president is worried about what happened in the area where lawmakers are trying to shift the ground under Dr Klein's feet.

Radical strategies allow for Alfonsin to be once more the axis of party campaigns in 1985. The campaigns will begin in Tucuman, with the provincial elections. Three factors will help the UCR there: the fact of being the governing party; the highly deficient political record of the Peronist administration of Riera; and the recent incorporation of former Governor Gelsi into the UCR.

However, Tucuman will be but a beginning. In the meantime, while such irrational acts occur as the one that resulted in the hasty departure of American warships from Puerto Madryn because of feelings unleashed by a war which he himself deemed irrational, Alfonsin is looking attentively to the right and the left. On one side, he spots Alsogaray; on the other, Dr Alende. He knows that his own votes on 30 October could go to either side as the result of disappointment, on the threshold of 1985, with his administration and that of his lawmakers.

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CSO: 3348/580

ARGENTINA

CAMILION LINKS DEBT AGREEMENT WITH GOOD U.S. RELATIONS

Bahia Blanca LA NUEVA PROVINCIA in Spanish 31 Aug 84 p 7

[Article by Oscar Camilion: "Our Relations With Washington"]

[Text] For many decades, Argentine-American relations were alternately good or bad, cold or friendly, and at times reached points of extreme tension, as was the case during World War II. Nevertheless, the characteristic that fundamentally defined them was indifference. The United States depended on Argentina for absolutely nothing, nor was Argentina dependent on the United States. Although there were zones of converging interests or of some conflict, none was vital to the national interest.

The worst times in bilateral relations, those during which the United States practiced a policy of open hostility toward Argentina and meddling in its internal affairs, coincided with those in which our country still enjoyed a high degree of self-sufficiency. Consequently, it is possible and even legitimate to question the suitability of the policy of neutrality followed by Argentine governments during World War II. However, there is no doubt that the policy was possible, as shown by the fact that it was practiced, and did not prevent Argentina from forming part of the initial contingent of the United Nations when it gathered together at the San Francisco conference.

In the succeeding years, Argentina's self-sufficiency vis-a-vis the United States still seemed clear given the relative advantages with which our country emerged from the war. Nevertheless, General Peron's own government understood the real narrowness of the margins of national autarchy under the new world conditions when he began a cycle of rapprochement with the administration of President Truman, which was accentuated when General Eisenhower came to the presidency. Within a new conceptual framework, diplomacy during the Frondizi period carried the orientation initiated by the last cycle of Peronism even further. This was inevitable because of the initial economic diagnosis of the development-oriented government: While the country's main problem was to overcome underdevelopment, which required a totally new investment policy, and while this presumed the injection of foreign risk capital and substantial financing, relations with the United States gained priority. It is therefore not surprising that during the four years of the Frondizi government, there were four official presidential meetings that did not take place casually at a third-party location, but rather, organically programmed within the

diplomatic objectives of the two countries. It should be pointed out that not a single official visit of this type between Argentine and American chiefs of state has ever taken place either before or since.

### Clash of Interests

None of this has prevented profound disagreements between Argentina and the United States from occurring, with clashes of interests, as in the case of Central America, to cite a single example. The fact that the United States was indispensable within the framework of an Argentine development policy would not do away with national discrepancies based on distinct perceptions regarding security. In addition, when the problem of development was no longer at the heart of the national strategy, the need for the link with the United States could no longer be perceived. For example, the cancellation of oil contracts could only be conceived within the framework of a policy that viewed economic development and the foreign investments making it possible as indispensable. Within that context, relations with the United States once again became indifferent. This did not prevent -- on the contrary, made it easier for -- Argentine diplomacy to coincide with American policy on problems of regional security, as in the cases of Cuba and the Dominican Republic and even in those of a global nature, as when the American escalation in Vietnam occurred.

Throughout all the following years, once the development plans had been discarded as the central theme of Argentine policy, relations with the United States could once again be marked by indifference. Rapprochements or cool periods did not result from basic questions, but rather, from the ideological focuses in vogue in the government in Buenos Aires. Thus, from the extreme Western-oriented policies of the government of General Onganía to the highly rhetorical Third Worldism of Dr Campora's administration, Argentine diplomacy was like a swinging pendulum which, however, could still adopt an indifferent attitude vis-a-vis the American Government.

The explanation was a simple one. As long as Argentina did not set as its prime goal giving in to the intense process of world transformation taking place in the 1960's and 1970's, it still maintained a considerable margin of self-sufficiency. This could be clearly measured in the balance of payments. It sufficed to see the different behaviors of the Brazilian and Mexican regular accounts, always in the red, and that of Argentina, almost always without any problem, to explain several things. One of them was Argentina's lack of experience on world financial markets. Another was the sustained loss of the country's positions with respect to its South American neighbors. A third, resulting from the good food and energy situation, was the possibility of continuing with a policy of isolation, only that that isolation had ceased being "splendid" or "gilded," as it once was. In practice, isolation meant that Argentina had given up growth.

The situation changed substantially starting from the time when Argentina found itself with a level of indebtedness it could no longer handle with its own resources. As one could clearly perceive beginning in the 1950's, Argentina was not self-sufficient if it wanted to develop. On the other hand,

it could be self-sufficient if it did not mind a gradually poorer status quo. But from the time when the foreign debt assumed proportions beyond the range of the country's real resources, the situation was totally reversed. No longer could Argentina remain indifferent to the outside financial world centered in the United States. On the contrary, the nation's very subsistence and its future prospects came to depend on those relations.

The option Argentina is now facing is expressed in clear terms: Either it renegotiates the debt, which before the end of the year requires the obtention of quite substantial amounts of new credits, or it faces the foreign moratorium with implications far beyond the imaginings of those fond of the possibility. It is true that the current situation of Argentine diplomacy is not formally bilateral with the United States, but no one is unaware that talks with the IMF have the government in Washington as a silent listener. For the United States, the final behavior of Argentina is of utmost importance and this, beyond the great significance which the democratic institutions in our country have for American foreign policy.

Certain sectors of the government are tempted to risk a confrontation, which is anachronistic. They fail to measure the ratio of forces. They do not realize that at the present time, relations with the United States cannot be marked by the indifference to which we were referring. It is no longer a matter of cooperation indispensable to economic development, but rather, of something first. In one of its latest issues, the weekly THE ECONOMIST foresees the Argentine agreement with the Monetary Fund for some time in September "because the alternative for President Alfonsin is economic, followed by political, bankruptcy."

This rather impressive reference from a quite representative organ repeats concepts reiterated in recent days in the international press. The monthly FORTUNE recently devoted a long article to our country in which an analysis is made of many relevant aspects of our current difficulties and in which Argentina is presented in contrast to Mexico and Brazil. This is true of the latest issue of BUSINESS WEEK also. Another weekly, NEWSWEEK, presented the picture of the Latin American debt in positive terms due to the evolution, which it deems favorable, of the Brazilian and Mexican cases and in which our country is not mentioned. In one of its most recent issues, TIME attributed a negative view of Argentina with respect to the debt to a high financial official and noted that "they once again consider themselves the center of the world."

#### Financial Isolation

The conclusion from all this is simple: Our country is isolated in the treatment of its financial problems and in addition, outsiders are emphasizing that isolation. It would therefore be an error to think that strategic hypotheses such as that of the Debtors Club or political handling of the foreign debt are viable. Perhaps they never were, but at any rate, they were conceivable in 1982 when the Mexican and then Brazilian crises occurred. That is why, on both occasions, the American Government rapidly organized package deals in which the political decision contributed solutions that Washington no longer deems necessary.

We recently had an opportunity to make similar reflections when the Cartagena Conference was called, especially when Argentina adopted an outstanding profile at that conference. It was totally obvious that one could not ask countries having already made painful adjustments to join in common action with others that had not made such adjustments, action that would benefit the latter. These reflections are valid for the coming Mar del Plata meeting, which could constitute a more important topic in relations between the United States and Argentina than the versions and counterversions on the subject or real displeasure which the professional activity of Ambassador Ortiz would provoke in official quarters.

#### Crusade

Argentina is thus embarking on a veritable crusade in its relations with the United States, one that actually has little to do with the future of the solution to the financial problems now afflicting nearly all of Latin America. Let us repeat what we have said more than once: This problem has not only not been solved in any case, but rather, cannot be solved according to the current rules of play. The real question for the countries in question is to prevent the bomb of the debt from going off over their heads, but with effects precisely opposite those usually observed: destruction of the debtor and not that of the international financial system.

There is one thing certain about the problem of the debt of many of the developing countries, to wit, that the terms of its solution are still unknown or depend on factors in the evolution of the international economy that are still quite vague. In addition, there is another hypothesis that will probably be confirmed, that the solutions will neither be overall nor simultaneous, but rather, will come case by case and with differing degrees of effectiveness. Brazilians, Mexicans, Venezuelans, Chileans and Uruguayans have all bet on this. Argentina does not have a good enough bargaining position to seek its own path, so that the only sensible thing is to seek the solution most in keeping with the national interest, a solution that would require a sustained effort within the context of the known situation. This means that there is no way to avoid certain rules of play based on which the common interest can work to preserve our democratic institutions.

If we succeed in elevating the tone of the dialogue with Washington to that level, then there will be room to legitimately defend the national interest and positions in the many areas in which there are true differences, such as nuclear policy, aspects of the line to be followed in Central America and many others that have always existed in international conflicts where Argentine and American traditions and benefit do not agree. However, if our country does not manage to preserve the dialogue with the United States in spheres where it is not possible to outline realistic alternatives, then there might occur unfortunate obstacles on issues that will have to be sacrificed for the sake of compensation or even an overall strategy of confrontation that could satisfy ideological groups that have not realized that for Argentina, relations with the United States can no longer be included in the category of what is diplomatically a matter of indifference.

POLITICAL ROW ERUPTS OVER DRUGS COMMISSION REPORT

Government Views, PLP Rumors

Nassau THE TRIBUNE in English 17 Sep 84 p 1

[Article by Athena Damianos]

[Text] PRIME MINISTER Lynden Pindling is not obligated by law to table a copy of the Commission of Inquiry's report in the House of Assembly.

A Government spokesman said today that while "the assumption is that it will be tabled, there is no absolute determination" that this will be the case. The Commission, which conducted a nine month probe into drug trafficking in the Bahamas, including the possible involvement of Parliamentarians and public officers, is scheduled to report September 28.

Commission secretary Patrick Erskine-Lindop had no comment to make today on reports that the Commission has asked for an extension to the September 28 deadline.

The report was to have been submitted to the Governor-General on September 28--about three weeks before the PLP goes into convention.

Contrary to public opinion, the Commission will not necessarily make recommendations to the Attorney General in terms of law enforcement and prosecution.

If the Governor-General had appointed a Royal Commission of Inquiry--as Sir Lynden announced in the House of Assembly--this would have been one of the principal aims. However, although Sir Lynden made a communication to the House last October about a Royal Commission, Mr Adderley later informed the public that it was not a Royal Commission, but just a Commission of Inquiry.

The aim of a Royal Commission of Inquiry is not the same as that of a Commission of Inquiry. The principal objective of Royal Commissions in general is to investigate a complex or controversial problem and then produce recommendations for future government action.

In contrast with this, the purpose of a Commission of Inquiry is mainly to investigate a situation which has given rise to public concern, with a view

to determining how it has come about. "A Commission of Inquiry sits to judge; and only subsidiarily, if at all, to recommend," Mr Adderley said. In England, tribunals are comparable to Commissions of Inquiry here.

"It's a Commission of Inquiry. That statement (by the Prime Minister) was in error," a Government spokesman said. "It was inadvertently stated that a Royal Commission was set up. It was always intended to be a Commission of Inquiry. It wasn't changed. It was just an inadvertent statement."

Mr Erskine-Lindop said that the Commission has always referred to itself as a Commission of Inquiry set up under the Commission of Inquiry Act.

Shortly after the September 5, 1983, NBC newscast alleging that the Prime Ministers and other Government officials were accepting bribe money from drug smugglers, Sir Lynden announced that a "blue ribbon Royal Commission of Inquiry" would be appointed to look into the charges.

And, last November 9, Sir Lynden, a lawyer, announced in the House that "the composition of the Royal Commission was complete." He said that the Commission would be appointed under the Commission of Inquiry Act.

"We'll have to wait and see if there are recommendations and, if so, what they are like," the Government spokesman said. And, on the question of tabling the report, he said: "There is nothing in law to make them do that."

The spokesman said that a copy of the report will be sent to the Governor-General and the Attorney General. He said that the Governor-General will send a copy to the Prime Minister, probably accompanied by a covering letter.

All eyes are focused on five PLP Members of Parliament as a result of information that has surfaced during the Commission. They are the Prime Minister, George Smith (Min Agriculture), Kendal Nottage (Min Youth), Bimini MP George Weech and Senator Andrew "Dud" Maynard.

Last weekend, Sir Lynden and 41 of the 43 PLP Parliamentarians met in conclave at Chub Cay.

Unconfirmed reports now coming out of that meeting claim that Sir Lynden came under fire by Deputy Prime Minister Arthur Hanna, Housing Minister Hubert Ingraham and Sen Ishmael Lightbourn.

It is understood that Sir Lynden opened the conclave as though nothing of significance had happened in the country over the past several months. He called the meeting to order and presented a proposal for Cabinet changes.

An informed source said that Mr Hanna got to his feet saying something to the effect that "this is not what this is all about." Mr Hanna reportedly said that the conclave was about Sir Lynden's position as leader of the party. The source claimed that Sir Lynden was denounced by a number of Parliamentarians, the most vocal of whom, it is claimed, were Messrs Hanna, Ingraham and Lightbourn.

Sir Lynden is then reported to have asked for "time." It was not clear whether he meant time to wrap up his affairs before stepping down, or time to consider his response. Many feel now that he meant time to consider his response. There is speculation that Sir Lynden will go back to the people for a mandate. If he does this, he may do so without the full support of PLP parliamentarians.

The Tribune was told that if Sir Lynden attempts to go to the Governor-General in an effort to dissolve Parliament, there is a strong possibility that Mr Hanna will go to the Governor with the majority of support, forming the next Government. Minister of Tourism Perry Christie, who Sir Lynden is believed to be angry at, might be the "compromise" leader, a source said.

The Tribune was told that Sir Lynden had proposed the following Cabinet changes--Sir Lynden, Prime Minister and Minister of Finance, Darrell Rolle, Ministry of Works, Loftus Roker, Home Affairs, Clement Maynard, Foreign Affairs, Paul Adderley, Attorney General, Charles Carter, Youth, Philip Bethel, Home Affairs, Perry Christie, Tourism, Hubert Ingraham, Health and National Insurance, Kendal Nottage, Agriculture, Peter Bethel, Transport and Civil Aviation and Alfred Maycock, Education. Agriculture Minister George Smith and Health Minister Livingston Coakley's names were not included.

A second draft on Cabinet changes is the same as the above, except for the following--Kendal Nottage, Attorney General, Loftus Roker, Home Affairs, Philip Bethel, Agriculture and Fisheries, and Livingston Coakley, Health. Peter Bethel's name is not on this draft and George Smith was again excluded.

#### FNM Position

Nassau THE TRIBUNE in English 13 Sep 84 p 1

[Article by Athena Damianos]

[Text] THE COMMISSION of Inquiry's report on drug trafficking in the Bahamas has to be submitted to Parliament "at the earliest date."

This legal requirement is contrary to a statement made by a Government spokesman yesterday that there is no law that requires government to lay the Commission's report on the table of the House of Assembly.

FNM chairman Cecil Wallace-Whitfield came to The Tribune today armed with a copy of the Commissions of Inquiry Act to challenge Government on that point.

Mr Whitfield, a lawyer, also said that the Attorney General's assertion that the Commission of Inquiry can only make recommendations "subsidiarily" based upon its findings is not correct.

Yesterday a Government spokesman told The Tribune that "there is nothing in law to make them do that," meaning that there is nothing in law to force

Government to present the report to Parliament. He said that while "the assumption is that it will be tabled, there is no absolute determination" that it must.

But, Section 7(2), Chapter 180 of the Commission of Inquiry Act's revised edition (1965), says: "The Governor shall at the earliest possible date, transmit a copy of the commissioner's report duly signed by the commissioners, to both Houses of the Legislature," The earliest date would be when the House reconvenes from the summer recess October 10.

Mr. Whitfield said that the Commission, whether it is referred to as a Royal Commission of Inquiry or merely a Commission of Inquiry, was appointed under the Commissions of Inquiry Act, which makes no distinction between the two.

Attorney General Paul Adderley has said that it is a Commission, not a Royal Commission. He testified that the aim of a Royal Commission is not the same as that of a Commission of Inquiry. He said that the principle objectives of Royal Commissions in general is to "investigate a complex or controversial problem and then produce recommendations for further government action."

He argued that the purpose of a Commission of Inquiry is mainly to investigate a situation of public concern, with a view to determining how it has come about.

"A Commission of Inquiry sits only to judge; and only subsidiarily, if at all, to recommend," Mr Adderley said.

But, Government's own Official Gazette contradicts Mr Adderley.

On November 28, 1983, notice was given by the Ministry of Foreign Affairs, which Mr Adderley heads as a cabinet Minister, that within three months after the date of the Commission, the commissioners must certify their opinions and recommendations. This notice was printed in an Extraordinary Official Gazette "by His Excellency's Command" over the name "P.L. Adderley, Minister of Foreign Affairs and Attorney-General being the Minister responsible for Enquiries." And the instructions to the Commissioners are that "we require that within three months after the date of this commission you do certify to us, under your hands, or under the hands of any two or more of you, your several proceedings and your opinion and recommendations..."

"Call if what you like, the Commission of Inquiry or the Royal Commission of Inquiry, it (Commission) is required under its terms of reference to certify to the Governor-General their opinions and recommendations on the premise being that they have considered the matters covered in the terms of reference set out," Mr Whitfield said.

In giving his evidence before the Commission was not the first time that Mr Adderley made a distinction between a Commission and Royal Commission. The first time was in an interview with Fred Mitchell in April.

Prime Minister Lynden Pindling, in a Communication to the House last November, which has been gazetted, referred to a Royal Commission of Inquiry being appointed under the Commissions of Inquiry Act.

The government spokesman with whom The Tribune spoke said that Sir Lynden "inadvertently" used the word Royal and was in error. He pointed to Mr Adderley's statement distinguishing between the two. However, Sir Lynden's Communication to the House in which he referred several times to a Royal Commission was printed in the Official Gazette. No attempt at correction was made.

Mr Whitfield said that the terms of reference were set out, not by Mr Adderley, but by the Cabinet, which includes Mr Adderley, and the House Communication would have come from the entire Cabinet, including Mr Adderley. He pointed out that the Governor-General appointed the Commission on the advice of Cabinet.

The whole matter has given rise to speculation that Sir Lynden might wish to avoid a debate on the report when the House reconvenes after the summer recess on September 10.

Mr Whitfield said that Sir Lynden might not want to give his colleagues an opportunity to debate the report before the House meets and his party goes into Convention next month.

The Tribune has been reliably informed that Sir Lynden came under heavy fire during the PLP conclave at Chub Cay where he was asked to resign. He reportedly asked for "time." It is not quite clear what he meant by "time."

"Delays could only be for the purpose of serving the personal interests of those who believe they could be politically affected," Mr Whitfield said.

He said it has been over a year since NBC made the first allegations about Government corruption, a lot of money had been spent on the Commission, and evidence given, and it is time for a report to be made. The Commission is scheduled to submit its report to the Governor-General on September 28.

However, there is an unconfirmed report that the Commissioners might ask for an extension to their September 28 deadline. One speculation says that the report might not be ready before November. If this is so then a debate on the matter, both when the House opens on October 10 and when the PLP go into Convention, also in October, can be avoided. No debate on the matter can take place until after the report is handed in.

Yesterday, The Tribune published information it received about proposed Cabinet changes by the Prime Minister. It was inadvertently reported that Loftus Roker (Works) would be moved to Home Affairs. The Tribune understands that on the first draft of Cabinet changes, it was proposed that Mr Roker would head a newly created department for Police, the Defence Force and National Security, areas that presently come under Home Affairs.

TRIBUNE SPOTLIGHTS 'WASTE OF PUBLIC FUNDS'

Nassau THE TRIBUNE in English 20 Sep 84 pp 1, 10

[Article by Athena Damianos]

[Text]

**TENS, possibly hundreds of millions of dollars, earmarked for projects from which the country would benefit, have gone down the drain with hardly a public outcry.**

Half completed projects, or unaccountable delays have indirectly cost the Bahamian taxpayer money that could have been used to maintain the country's crumbling infrastructure.

The mismanagement of Treasury funds coupled with the filthy condition of the capital city has stripped the Bahamas of its once proud image of a "paradise" on earth.

Once beautiful parks have been torn up and are strewn with litter. Weeds abound. Garbage mounds are attracting rodents which in turn create a health hazard. Anybody with even moderately good vision cannot deny the above. And, for those who think that the wastage of public funds is an exaggeration, consider the following examples:

**The Pools, South Beach.** Built in June, 1970, the pools were the idea of former PLP Finance Minister Carlton Francis. The purpose of the pools was to provide recreation for people residing in the area. There is only good swimming at South Beach at high tide and so the creation of the pools meant that residents did not have to drive to the other side of the

island to swim at low tide. The pools were built for both adults and children.

Several problems developed shortly after the pools opened, one of which involved the supply of fresh water. They were abandoned. Today, 14 years "onwards," the area has become a dumping ground for dead animals and garbage.

**Jumbey Village.** The brainstorm of former PLP backbencher Ed Moxey in 1969, Jumbey Village was to be a cultural centre boasting Bahamian arts and craft, theatre, a museum and a zoo. About \$365,000 was pumped into the property which in 1973 was valued at \$1 million. It was a popular idea, but it never really got off the ground. It is understood that several years ago, the Rotary Clubs offered to help re-vitalize Jumbey Village. Their proposal was greeted by government with silence. The dream of a first class cultural centre died when Mr Moxey resigned from the PLP. The Ministry of Education has moved some of its officers to the site instead.

**Hatchet Bay Farm.** Bought by Government in 1975 for \$3 million, the farm was called "the greatest success story in Bahamian agricultural history" by Prime Minister Lynden Pindling. Sir Lynden must cringe every time reference is made to his statement. In its

hey-day, the farm employed about 1,200 from various Eleuthera settlements. Today, under Government's control it is doubtful that 100 people are employed.

Since the 1975 take-over by Government, the farm has stopped producing milk, ice-cream and eggs. It is understood that poultry is still raised.

Although Government is required by law to produce a statement of accounts within a reasonable period after the end of a financial year, the last financial report tabled in Parliament was in October, 1980. It showed that the farm lost \$2.5 million in its first five years of operation. The Tribune was reliably informed that the farm lost over \$2 million in 1983 alone.

**The 250-room Lucayan Beach Hotel and Casino** in Freeport, Grand Bahama was bought by Government in 1976 after it was extensively damaged by fire. It was to be refurbished, with opening dates promised in 1977, then in 1978, 1982, 1983, and 1984. The Hotel Corporation announced it would spend \$10 million rebuilding the hotel and casino. The contract was given to Arnold Cargill, a friend of the Prime Minister's. But, Mr Cargill reportedly fell out with Sir Lynden and stopped work. The contract was then given to an English company.

Today, eight years later, the property has been refurnished. Pan American Airlines agreed to find an operator to tie in with its proposed Air Bridge to Nassau and Freeport, which the Ministry of Transport has yet to approve. Loews Hotel Corporation was interested in managing the hotel. But, Loews pulled out, reportedly because of foot-dragging by the Hotel Corporation. A new management team, Harrar's, a division of Holiday Inn, is now interested in the property.

**Airport surveillance radar.** Construction of the radar system was completed by the end of 1981 and has been held in storage ever since. Government budgeted \$5 million for the equipment and the 1984 estimates show that at the end of 1982 \$3,272,904 had been spent on the system.

On July 25, two young Bahamians, Philip and Leonard Symonette, were killed when their plane crashed at South Andros during a severe thunder storm. It is believed that the pilot became disorientated. Many believe that if radar had been available it might have assisted the Symonetts to a safe landing that night. Several Bahamians had been trained to operate the radar. However, they will now have to take refresher courses if and when the radar is installed.

The urgent need for radar was underscored in 1977 by the Inter Federation of Airlines Pilots. The radar was to be installed this March. Now, the Ministry of Transport says it will be operational by the end of the year. The radar, with a 150-200 mile radius, also would be useful in tracking drug traffickers.

#### The new Customs Freight

**Warehouse at Nassau Airport.** Badly needed for storage of freight, the new warehouse has remained in a state of near completion for more than a year. The old warehouse next to it is rat infested and is being eaten away by rust. Construction on the building stopped some time ago, apparently because the contractor (Columbus) was owed money by the Treasury.

**The In-Transit Lounge at Nassau Airport.** The in-transit lounge, used by British Airways and charter flights, opened in June, 1982, at a cost of \$425,000. It closed three years later after it was ruled unsafe by the Public Works Department. The lounge was designed by a civil engineer. The design was passed by the Ministry of Works. The Tribune reported a claim in 1982 that the reinforced concrete girder, upon which the ceiling beams sit, was improperly designed. E R Hanna, a relative of the Deputy Prime Minister, was given the contract to repair the lounge. It was estimated that repairs would cost between \$75,000 and \$100,000. Government has made no statement on the matter.

**The \$3.6 million Fish Landing Complex** at Potters Cay was to offer a multitude of services, including equipment to unload, sort and weigh fish, a canteen, a fishing supplies shop, locker space and storage for gear repairs. The complex opened in March, 1983. So far, it has only sold ice and offered freezer storage. But fishermen have complained that even that has now ceased.

**The reclaimed land** on either side of Paradise Bridge was completed at a cost of \$500,000. The purpose of the project was to "beautify" the area, which was already picturesque with

fishermen at work on their native sloops. Today, the area is a horrible sight, which is turned into a lake whenever it rains. On dry days, it becomes a dust-choked parking lot.

**Traffic Lights.** At the beginning of 1982 newly erected traffic lights throughout New Providence had not been turned on because suppliers had refused to deliver orders needed to complete the job. The reason: no "treasury voucher" had been received by the U.S. company from the Bahamas government.

In a letter to the Road Traffic Department on Sept 10, 1982 - two years ago - Eddie McMahon, Controller of VePed Traffic Controls outlined the problem. He said:

"We now have three orders ready to ship to your country that have been on hand for approximately 150 days awaiting your treasury voucher number for shipment.

"Present economic conditions and past experience has proven to us that we must assess a service charge due to the long delay between the completion of production and payment of the invoice.

"We feel this step is necessary in order to protect the profit margin which in your case is very minimal since we do want your business." That particular order came to \$55,436.05. The service charges brought it to \$59,593.75.

Government has made no public comment on the matter, although today - over two years later - the lights are still off. Those areas affected include Nassau and Delancey Streets, Market Street/Ross Corner, Nassau Street and Infant View Road, Nassau and Meeting Streets and Harrold Road/J F K Drive.

CSO: 3298/017

**TUC CALLS FOR POST-INQUIRY VOTE, TALKS WITH GOVERNMENT**

**Stand on New Elections**

Nassau THE TRIBUNE in English 18 Sep 84 pp 1, 10

[Text] IN a release issued after a Trade Union Congress weekend retreat attended by 28 executive officers from nine affiliates, the Resolution of the Triennial Congress calling on the Government to "seek a fresh mandate from the people" after the Commission of Inquiry has reported, was re-endorsed.

Held Friday and Saturday in north Andros, the retreat also agreed to "vigorously urge upon the Government" amendments to the Industrial Relations Act to provide for the appointment of an independent Director of Labour; abolish the Industrial Relations Board and replace it with tribunals for essential and non-essential services and provide for a work week reduced from 48 to 40 hours per week.

The retreat expressed "strong objection to the practice of the Government of bringing in so-called experts to advise it on matters that fundamentally affect the livelihood of workers," without consulting unions and other leaders.

"During the two days, lively informative and constructive debates were held on matters vital to the Trade Union Movement, workers in general and the nation as a whole," said the release, which was issued this morning.

The retreat--attended by TUC President Arlington Miller and General Secretary A Leonard Archer--agreed to affiliate itself with the International Confederation of Free Trade Unions (ICFTU) and its regional organisation, the Inter American Regional Organisation of Workers (ORIT).

"The TUC believes that these affiliates will enable the TUC to

play a meaningful role in international and regional affairs," the release says.

The TUC agreed to "vigorously urge upon the Government" amendments to the Industrial Relations Act (IRA) to provide for: freedom of association for workers, allowing them to join the union of

their choice in accordance with the International Labour Organisation's Convention number 87.

Job security and protection against unfair dismissals.

Appointment of an independent Director of Labour.

Abolishment of the Industrial Relations Board and its re-

placement with tribunals for essential and non-essential services.

Making the Code of Industrial Practice statute law.

Reduction of the work week from 48 to 40 hours per week.

Severance and redundancy pay for workers "arbitrarily dismissed" by foreign and local companies.

The retreat also considered and endorsed the conclusions of the ORIT conference on new approaches to the economic crisis in Latin America and the Caribbean, and those of the General Council of the CCL (Caribbean Congress of Labour) at its Barbados meeting in August.

The TUC voiced "strong

objection" to the "practice of the Government of bringing in so-called experts" - without any consultation with trade unions and other leaders - to advise it on matters that fundamentally affect the livelihood of workers.

"Of particular concern to the TUC is the fact that the Government brought experts from England to advise it on amendments to the IRA and also another expert to advise it on a National Health Scheme.

"At no time was the TUC or the nation advised that these persons were coming to advise the Government," said the release, "nor was the TUC invited to meet with the experts."

#### Social, Economic Policy Issues

Nassau THE TRIBUNE in English 22 Sep 84 pp 1, 13

[Article by Dilette Thompson]

[Text] THE PRESIDENT of the Caribbean Congress of Labour and secretary general of the Bahamas Trade Union Congress, Mr A Leonard Archer, at a press conference Friday called upon Government to consult with representatives of the Trade Union Congress (TUC) when deciding the nation's social and economic policies.

"We, the Trade Union Movement, not only in the Bahamas but throughout the Caribbean and Latin America and in the industrial countries, will be insisting that when the economic policies are being formulated we must be consulted so that when the policies are finally drawn up, what is produced will be something which we all can live with and something which will benefit the country as a whole," Mr Archer said.

At a press conference called yesterday morning and held at the office of the Commonwealth of the Bahamas Trade Union Congress, Bethel Avenue, Mr Archer said the TUC will approach the Government directly to suggest high level meetings, and hopefully get a positive response.

At the conference he outlined economic developments in Latin America and the Caribbean which are of concern to the Trade Union Movement, and highlighted conclusions reached at the recent Cuernavaca, Mexico, conference, which dealt with the economic crisis facing Latin America and the Caribbean.

Mr Archer said one of the suggestions coming out of the conference was that Government must consult with workers representatives, the TUC, on economic policy matters, something which the Bahamas Government has not been doing.

The secretary-general to the Trade Union Congress said "time and time again" foreign advisers who visit the Bahamas to advise the Government on economic policy matters do so without consultation with or input from the TUC, who, in turn, learn of their presence from the newspapers.

Dr Ranjit Watson, projects officer with the Industrial Development Unit of the Commonwealth Secretariat, London, was cited as an example. Mr Ranjit has spent the last three weeks in the Bahamas identifying possible industrial projects, in accordance with the Bahamas' plans for industrialization and diversification from tourism. He leaves on Sunday.

"How did we find out, we read it in the newspaper. I ask the question how in the hell can anybody advise the Government on any industrial policy and leave out the people who are going to make that policy work. What kind of industrial policy can the Government come up with when the trade unions don't agree with it?" Mr Archer asked.

"You know what you are going to have, strikes, disruptions all such things. It does not make sense what is happening...and this has been happening time and time again. And do you know whose money they are using for it? Our money. Do we get a say in it? No way. Really, it's time to stop," Mr Archer continued.

He said there should be consultation between the Government, the Trade Union Movement, the Bahamas Employers Federation, and the people of this country--anyone who has an interest in Government's policy.

Mr Archer said any mission to the Bahamas should deal with as wide a cross section of the people as possible so that resulting reports reflect the view of the Bahamas as a whole. "To take the view that the Trade Union Movement is trying to mess up the country is a ridiculous view and really one that has no basis in fact or history," Mr Archer said.

TUC president Arlington Miller, who attended the press conference, said the Trade Union movement is interested in people, in the worker and the conditions of the country. He said the TUC is not concerned with anything else and is not

trying to destroy the country, but in fact wants to preserve it for future generations.

"The Government or the Ministry of Labour handles the affairs of labour by looking down on the labour leaders rather than calling us and having us discuss these matters together," Mr Miller said.

He said it is a shame to see advisers who know nothing about this country, who come from a different country altogether and are affected by different situations, come here and make recommendations without input from the TUC.

"They are making recom-

mendations from one-sided information. They should get the information from labour as well as Government and/or the employers but the TUC knows nothing about it. We may be called, as we have been called before, trouble-makers but we will demand our rights in this country. The workers of this country will demand our rights," the TUC president said.

Mr Archer said traditional pressures can be put on Government to meet with the Trade Union Congress. One way, he said, is by exposure; letting the Government know that the

TUC knows what is going on and letting the people know that there is no consultation.

He said there is the official means of demonstration if the TUC's direct approach to government fails. "Whenever we get these people here raise as much hell as possible, until they get the message that if they are going to come to the Bahamas they are going to have to talk to us," Mr Archer said.

Mr Archer said World Bank and International Monetary Fund officials all realize what is happening as they are the ones now saying "we had better talk to everybody when we go to these countries."

In fact, the International

Monetary Fund was recently advised to set up a special unit within the IMF to deal with consultations with trade unions and other interested groups in the society.

Mr Archer said it does the IMF image no good when one can say their advisers went to the Dominican Republic and advised the people there what to do, and as a result 60 people died.

"We want to be reasonable, we want to sit down and talk. We want to get our message across. If there has to be consultation there has to be consultation. Hopefully we can be reasonable and reason together," Mr Archer said.

CSO: 3298/017

FORMER PLP MP CALLS FOR MARCH TO OUST PINDLING

Nassau THE TRIBUNE in English 21 Sep 84 p 1

[Article by Colin Higins]

[Text]

IN 1976 a man in this country built a "gallows" called the Disclosure Act, former PLP Member of Parliament for St Barnabas Edmund Moxey told a rally at the Coconut Grove Community Centre last night.

Some 150 to 200 listeners were told that if they followed the Bible story about Naaman, they would know that the same man who built the gallows was hanged on it.

"I have no more to say," concluded the speaker - now a member of the opposition Free National Movement. "But I should like to tell you that we are now living in serious times."

Noting his belief that the Bahamian people are too passive, Mr Moxey continued: "I believe that the time has come for us to band ourselves together and march on Bay Street and demand Pindling's resignation forthwith!"

The enthusiastic crowd - composed of many teenagers and young adults - was told: "There are many of us who believe that if we lay down long enough, the PLP will fall dead.

"But let me tell you something. If you want the PLP Government out of power, you got to fight for it! You got to take it from them!" said Mr Moxey, who assured listeners he would be the next Member of Parliament for St Barnabas.

"The time has come when we must now begin to march," a forceful Moxey said. "We've

got to march and march and march! And all the people of this country will have to band themselves together and chase the PLP over the bar."

The speaker said the Thursday night meeting was called to give persons an opportunity to join the FNM St Barnabas branch.

He said after joining the FNM branch, it is hoped "you the young people, 18 years and over" would register to vote.

"And when you have gotten that card, you will have the ammunition in hand to do justice to the PLP."

Mr Moxey said he hoped to have a series of meetings in the constituency to "educate" residents to the issues of the day.

The speaker said that in 1975 he asked for a commission of inquiry to look into "corruption."

"And I would like to let you know that one of the areas that I pointed out at that particular time, was the fact that the desalination plant on Blue Hill Road was estimated and a contract was signed for \$4.4 million. I want you to listen to this carefully.

"The contractors went ahead, did the work out at Blue Hill," Mr Moxey said. "But let me tell you what happened.

"Where the specifications called for stainless steel, they put galvanised pipes. You hear that?" The speaker repeated his statement.

"As a result it was estimated

at the completion of that project that only \$2.2 million went into that project! But the people of this country paid \$4.4 million."

Mr Moxey told listeners the surcharge they pay for electricity is said to assist in the purchase of fuel. He claimed that as a result of the galvanised pipes incident, gallons of crude oil rests on the water table out at Blue Hill Road.

The speaker said he nearly cried when he toured the Coconut Grove Community Centre earlier in the afternoon.

"Because in 1973 - and I want to take you back to 1973 - we had a proposal up to the government for the completion of this centre. And Mr A D Hanna, along with his Cabinet colleagues, struck the entire community development programme and budget out of the (1974) estimates.

"I would also like to let you know that on the southside of this building is a day care centre. That day care centre was estimated to cost about \$10,000 - I want this to sink in now," said the speaker.

He told the gathering that for 10 years the centre had remained "blocked up."

CSO: 3298, 01/

BRIEFS

MONCUR TRIAL--WORKERS Party chairman Rodney Moncur was committed Friday to stand trial in the Supreme Court by magistrate Joseph Alfred to answer a charge of sedition. A preliminary inquiry into the matter concluded yesterday with the magistrate ruling that Moncur had a case to answer. Arraigned before court June 29 on the charge of sedition, Moncur is alleged to have uttered seditious words on January 6, 1984, to the effect that it was time to resort to violence, to seize the police stations and radio station, to destroy public property and to start civil unrest. He is charged with intending "to excite disaffection against the Government of the Bahamas as by law established." He is also charged with uttering the same seditious words on that day to "raise disaffection amongst Her Majesty's subjects." And he was also charged with uttering seditious words on the same date, to the effect that the court had become a whore house for political prostitution. He was charged with intending by these remarks to bring into "hatred or contempt or to excite disaffection against the administration of justice in the Bahamas." Lawyer Jeanne Thompson represented Moncur and Chief Insp Joseph Major prosecuted. Moncur and the leader of the Workers Party, Philip Miller, were separately charged with sedition on June 29. Miller's preliminary inquiry is expected to be heard October 27. He is also represented by lawyer Thompson. [Text] [Nassau THE TRIBUNE in English 24 Sep 84 p 1]

CSO: 3298/017

WASHINGTON ALLEGED MANIPULATOR OF BOLIVIAN OPPOSITION GROUPS

Moscow NEW TIMES in English No 37, Sep 84 pp 22-23

[Article by Valery Morozov: "Vicious Circle"]

[Text] Bolivia's Cristal radio station reported sensational news on Saturday, June 30: President Hernan Siles Zuazo had been kidnapped. It transpired later that in the early morning a group of servicemen in the Leopoldos anti-drug squad had got into the presidential palace in La Paz, tricked the guards into disarming, captured the head of state in his bedroom and driven him out of the city. The operation was carried out under the leadership of Colonel Rolando Saravia, who had been dismissed from the army last year. A few hours earlier, other groups had penetrated the buildings of the Ministry of the Interior and the telegraph office.

The ringleaders obviously expected the armed forces to support them, as had so often been the case in Bolivia before. This time, however, not a single garrison backed the mutiny. Furthermore, the high command of the armed forces issued a statement voicing its full support for the constitutional government and ordering the troops to stay in their barracks.

Events developed rapidly. The La Paz working people called a general strike in protest against the mutineers' actions. The government, the Bolivian Workers' Centre (trade union association) and the progres-

sive military formed a military-civilian front. Several Latin American countries warned that they would sever diplomatic relations with Bolivia if the mutineers took over power.

Finding themselves out on a limb, the mutineers were compelled to beat a retreat. Some took shelter in foreign embassies, others surrendered to the authorities. Released within ten hours of his capture, President Siles Zuazo resumed his functions as head of state. The Bolivian security service arrested about 50 men suspected of having been involved in his abduction, including servicemen connected with drug traffickers who, as it came to light later, had allocated \$200,000 for mutiny preparations.

**The Left Coalition  
in Power**

President Siles Zuazo's government represents the bloc of Left-wing forces known as the Democratic Popular Unity (DPU) which was formed in April 1978 and unites the country's progressive political organizations. Prominent among these are the Communist Party of Bolivia (CPB), the Left Nationalist Revolutionary Movement (LNRM), and the Revolutionary Movement of the Left

(RML). The bloc fought resolutely and persistently to restore the constitutional democratic process interrupted when the pro-American military took over power in 1964.

The Democratic Popular Unity bloc scored an impressive victory at the June 1980 general election, when its leader, Hernan Siles Zuazo, who was running for the presidency, took most of the poll, and its deputies made up the biggest group in parliament. For more than two years, however, reactionary circles and the Right-wing military prevented the electors' will from being carried out.

It was only in October 1982 that President Siles Zuazo and the DPU government he had formed were able fully to assert their power. Since then the government has passed a series of measures designed to satisfy the pressing needs of the population, restore democracy, revive the national economy, crippled by the 18-year rule of military juntas. However, the country's economic and political recovery has come up not only against difficulties of an objective nature, but, above all, against the resistance of reactionaries at home and abroad who refuse to accept a democratic and independent Bolivia.

What happened on June 30 amounted to an attempt to reverse the constitutional democratic process in Bolivia. An inquiry revealed that the mutineers had intended to proclaim a so-called "second republic" which would actually be a dictatorship like Pinochet's Chile or Stroessner's Paraguay. Certain members of the Right-wing op-

position parties also appear to have been mixed up in the plot. Plans were afoot to deal summarily with the leaders and activists of the Left—the Communists in the first place. The post of the head of state was to have gone to ex-general and ex-president Hugo Banzer Suarez, the leader of the Right-wing party styling itself Nationalist Democratic Action. Colonel Saravia was hoping for premiership in the new cabinet.

### Miscalculation

As they prepared the coup d'état, the Right-wing forces obviously assumed that the DPU government and President Siles Zuazo no longer enjoyed the popularity which had brought them victory in the 1980 election. They expected the difficult—at times even critical—situation in the country to foster anti-government feelings. What they had overlooked, however, was the fact that the Bolivian people—the working people, above all—had opted once and for all for democracy.

Indeed, the financial and economic situation in Bolivia remains extremely difficult. The country's foreign debt on July 1 amounted to \$4.7 billion, with the generals' regime responsible for the lion's share. Before this year is out, the country has to pay almost a billion dollars, although Bolivia's export earnings do not exceed \$800 million a year. Inflation keeps growing, the cost of living is climbing, and the army of the jobless swelling. All this cannot but tell on the working people's living standards.

The socio-political situation in the country was aggravated when President Siles Zuazo adopted a number

of harsh measures in April 1984 meant to deal with the economic crisis. They included the devaluation of the Bolivian peso by 75 per cent, the raising of the prices of certain food products and petrol, a rise in public transport fares and a wage freeze. These measures led to a considerable increase in the cost of living.

In protest against the government's measures, the trade unions called two three-day general strikes which paralyzed the country.

In mid-May, having analyzed the situation, the DPU government issued an appeal to the Bolivian people saying that "social unrest and economic chaos have faced the country with the danger of political anarchism. This, in turn, may decide the outcome of the fight for freedom and democracy in favour of imperialism and fascism." The document called the nation's attention to the unwillingness of certain elements (Trotskyites, Maoists and anarcho-syndicalists) to take a sober-minded view of the situation. Under pressure from them, certain trade unions were putting forward deliberately unacceptable demands.

Capitalizing on the problems facing the government in this difficult situation, the bourgeois opposition noticeably stepped up its activity. Victor Paz Estenssoro and Hugo Banzer Suarez, the leaders of the main opposition parties, called on the President to step down and call an early general election. The reactionary elements in the army and in the private business community were conspiring to overthrow the government.

In the second half of June a group of military from the staff officers' school in Cochabamba rebelled against General Sejas Tordoya, commander-in-chief of the ground forces, and demanded his resignation. The mutinous officers were supported by naval cadets. The conflict was seen in political circles as the first step towards im-

plementing the broad plan of subversive activities aimed at toppling the President and his cabinet. and the events of June 30 confirmed this view.

### **Who Is Co-ordinating the Attacks**

The coup failed because no one supported the small band of plotters. However, the very fact of the attempt makes it perfectly clear that the opposition, as represented by the Right-wing nationalist parties, the private sector and certain more conservative officers, are seeking ways of seizing power. The government is under attack from all sides. Characteristically, no sooner does the President succeed in normalizing his relations with the Bolivian Workers' Centre, than the enemies of the regime provoke trouble in the army. And as soon as the government manages to secure the support of the armed forces, the private sector is up in arms against it. Having settled its problems with the private business owners, the government faces threats of new industrial action from individual trade unions. The result is a vicious circle which leaves the government neither the time nor the chance to work properly for Bolivia's economic and political recovery.

Whenever the ruling bloc succeeds to some extent in stabilizing the situation, outside forces come into play. These are, above all, the International Monetary Fund, which demands that the Bolivian government take unpopular austerity measures if it is to get the loans and credits it needs so badly, and the U.S. companies operating in Bolivia which start to withdraw under the invented pretext of there being no investment guarantees.

Such open, multifaceted pressure on the government is obviously being skilfully stage-managed and co-ordinated. An analysis of current developments in Bolivia shows that

all the strings are being pulled, as ever, by Washington.

Stability and progress in that Latin American country with its government of the Left, including Communists, do not suit the present U.S. administration. It is afraid lest Bolivia should set an example to other states on the continent, whose peoples are fighting pro-American military dictatorial regimes.

The DPU leaders are well aware of the consequences which the absence of political stability might lead to. They are, therefore, taking practical steps to prevent a break with the Bolivian Workers' Centre and to secure the army's support for the consolidation of constitutional norms.

At the beginning of July, the government and the BWC reached an important agreement, under which the government pledged itself to suspend its debt repayment to private foreign banks, to establish strict control over price increases of food and basic necessities and to give the workers employed in the state and private sectors a 30 per cent wage rise. Prices of staple products have been stabilized. For its part, the BWC promised not to call a general strike.

The Communist Party of Bolivia has an important role to play in the development of the democratic process. As an active participant in the ruling coalition, it is working for the unity of the working class, of all Left-wing forces, for a constructive dialogue with the BWC leadership, and is seeking the most effective ways to consolidate the democratic system in Bolivia and to foil the plans being nurtured by reactionaries at home and abroad.

CSO: 3300/1

## POLL SHOWS PREFERENCE FOR NEVES, DIRECT ELECTIONS

Sao Paulo ISTO E in Portuguese 29 Aug 84 pp 28-34

[Text] Tancredo Neves is a national choice which borders on the unanimous. That is the main revelation contained in the results of the IBOPE/ISTO E/GAZETA MERCANTIL/REDE BANDEIRANTES TELEVISION NETWORK [IBOPE is the Brazilian Public Opinion and Statistics Institute] Poll, which covers seven state capitals and their respective metropolitan regions (see the chart on the next page). Of the voters questioned, 63.3 percent want him to win in the Electoral College in January of next year, against only 21.2 percent who expressed a preference for his opponent of the PDS [Social Democratic Party], Paulo Maluf. The numbers decreased somewhat--54.4 to 37.1 percent--when the voters were asked who they believe will win in the Electoral College, which without a doubt shows a sort of confidence (or fear) of the capacity of Maluf to maneuver in direct elections. "The first part of the poll is true, but the second part reflects an unrealistic state of mind," commented Tancredo in Brasilia Friday night. He is sure of victory in the Electoral College also and in popular preference the difference between the two candidates is so great that nothing indicates the possibility of a significant change in trends in coming months. It is possible, although not probable, that Paulo Maluf may manage to overcome the status as favorite Tancredo now holds in the Electoral College, but it appears practically impossible that he may some day reverse the solid popular preference for the opposition candidate. From any angle that the numbers of the poll are analyzed, the result is always a clearcut overwhelming superiority in voters for the former governor of Minas Gerais even though Maluf is better known by them as an already official candidate.

Tancredo is beating Maluf in all state capitals and metropolitan regions surveyed; in overwhelming manner in two of them: Belo Horizonte, as was inevitable, by 85.5 percent over a modest 8.5 percent, and in Rio de Janeiro by 70 percent to 18 percent. Even in Sao Paulo, where Maluf planted his political roots any way he could and is proud of winning a substantial vote for the Chamber of Deputies, Tancredo wins easily by 54.3 percent to 25.7 percent.

Men prefer Tancredo by a ratio of 66 percent to 20 percent. Women, perhaps as a tribute to the lesser age of Maluf, reduce the difference to 60.4 percent to 22.5 percent for the Sao Paulo deputy. However, it is precisely

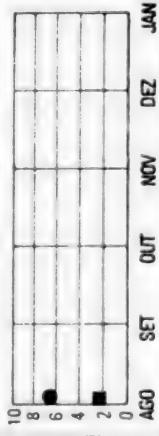
# TANCREDO X MALUF

(1) Pesquisa realizada de 15 a 20 de agosto de 1984 nas regiões metropolitanas de São Paulo, Rio de Janeiro, Porto Alegre, Belo Horizonte, Curitiba, Recife e na cidade de Salvador

(3)

(2) Qual dos dois candidatos à Presidência da República o senhor ou a senhora prefere que seja eleito?

• Tancredo	63,3
■ Maluf	21,2
(u) Outras respostas*	15,5



(6) \*Inclui os que votariam em qualquer um porque ambos são bons, ou porque ambos são ruins, ou não opinaram.

(3)

Qual dos dois candidatos à Presidência da República o senhor ou a senhora acha que será eleito?

• Tancredo	54,4
■ Maluf	37,1
Não opinaram	8,5



Key:

1. Poll was made from 15 to 20 August 1984 in the metropolitan areas of São Paulo, Rio de Janeiro, Porto Alegre, Belo Horizonte, Curitiba, Recife and the city of Salvador.
2. Which of the two candidates does the gentleman or lady want to be elected?
3. Which of the two candidates to the Presidency of the Republic does the gentleman or lady want to be elected?
4. Other answers.
5. No opinion.
6. Includes those who would vote for either one because both are good, or had no opinion.

among the younger voters that Tancredo receives his highest ratings when the poll is divided into age groups. From 18 to 24 years-of-age, they voted 63.5 percent for Tancredo and from 25 to 29 years-of-age, they voted 63.5 percent for Tancredo and from 25 to 29 years-of-age, the rate is even greater: 67.4 percent. Whatever the age of those polled, however, the preference for the opposition candidate never fell below 60 percent, while the rating for Maluf never exceeded the rating of 24 percent. Divided into social classes, the voters continue to be solidly inclined toward Tancredo and without any great differences. However, it is surprising to note that it is among the richest group that Maluf obtained his highest rates of rejection: only 17.5 percent of the Class A voters support him.

Paulo Maluf does not improve his rating in public opinion, not even when the survey is directed exclusively toward the voters who in November 1982 voted for candidates of the PDS. Despite that party preference, 52.9 percent of them remain with Tancredo as the winner in the Electoral College, against 35.7 percent who remain with the official candidate of their party. The best ratings obtained by the opposition candidate, obviously, were those obtained among the voters of the PMDB [Brazilian Democratic Movement Party] which guaranteed him 70 percent of their preference. However, it is symptomatic that the second best rating of the candidate, 67.8 percent, was obtained among the voters who in 1982 preferred the initials of the PT [Workers Party], whose leaders up to now remain firm in their decision not to participate in the indirect election in the Electoral College and not to help Tancredo to arrive at Planalto Palace via that route. Those who voted blank in 1982 prefer Tancredo by a ratio of 57.8 percent to 24 percent; those who cancelled their vote, by 50 to 31 percent, and those who simply did not vote would like to do so now and would give Tancredo 63 percent of their votes.

Those ratios change, sometimes significantly, when the question is asked of the voters who express the intention of voting for their parties. Those of the PDS give victory to Maluf by 57.1 percent to 36.7 percent for Tancredo. Even among the new voters of the PTB [Brazilian Labor Party], party which tends to align itself with the candidate of the "in" party because of its majority in the legislation, Tancredo wins, although by a slim margin: 35.8 to 35.2 percent. Among the new voters of the PMDB, Tancredo almost achieves unanimity: 83.1 percent to 9.1 percent. Of the voters who said they would vote for the PT, 65.1 percent also said they would vote for Tancredo.

However, the first round of the IBOPE/ISTOE/GAZETA/REDE BANDEIRANTES DE TELEVISION Poll offers at least two points of satisfaction to candidate Paulo Maluf. Among the voters who declared they preferred him in the Presidency of the Republic, there is a firmer certainty that he will really be elected: 86.6 percent are confident of his victory, while only 8.5 percent doubt him and show fear at the strength of the adversary. Among the Tancredo voters, 75.8 percent are confident of victory, but 19.4 percent fear the firepower of Maluf in the Electoral College.

Also in the question having to do with voter recognition, Maluf is out in front. No fewer than 75.3 percent of those interviewed declared they knew he was candidate for president of the republic, compared to 65.2 percent who said the same thing with respect to Tancredo Neves. The opposition candidate only beats the adversary in Belo Horizonte, but by a small margin: 86.5 percent to 80.5 percent. To know, obviously, does not mean that they prefer him, but the strategy of action of the Sao Paulo deputy appears to ignore that difference. Called upon to comment on the figures of the poll, Maluf first declared his certainty of victory in the college; he then acknowledged that surveys of that extent may show a real picture of public opinion "at a certain moment." However, he does not admit that Tancredo is ahead of him in public affection. "A poll made among 2,000 persons cannot be considered conclusive when there are 60 million voters," he protested. Without a doubt, however, it was a faulty device. Actually, only 686 persons vote--less than half of those who were heard in the seven capitals.

1. Do you know who the candidates are who were chosen to compete for the Presidency of the Republic in the Electoral College?

Paulo Maluf	75.3
Tancredo Neves	65.2
Mario Andreazza	7.1
Aureliano Chaves	0.6
Others	0.5
Do not know or have no opinion	22.3

1,600 Interviewed in 7 Capitals

The IBOPE/ISTOE/GAZETA MERCANTIL/REDE BANDEIRANTES DE TELEVISION Poll was made for the purpose of finding the preference of the voters with respect to the presidential succession next year. Held from 15 to 20 of last August, it covered only voters. In that period, teams of pollsters from IBOPE filled 1,600 questionnaires in the metropolitan regions of Greater Sao Paulo, Greater Rio de Janeiro, Greater Belo Horizonte, Greater Porto Alegre, Greater Curitiba, Greater Recife and the city of Salvador.

In order to represent the voters in the areas under study faithfully, the 1,600 interviews were subsequently weighed. That means that the tabulation was made in accordance with figures proportional to the variables of the entire group such as sex, age group and economic activity of the voters questioned. Those levels were established on the basis of figures from the Brazilian Institute of Geography and Statistic (IBGE) and the Electoral Court. Therefore, the 300 interviews held in Rio de Janeiro had a weight in the final computation of 28.63 percent--corresponding to the number of Rio voters among the electorate living in the seven metropolitan regions. The poll will be presented every 15 days until the 15 January 1985 elections.

2. Regardless of the Electoral College, which politician or public man would [the gentleman or lady] you like to see elected president of the republic via direct elections?

Tancredo Neves	29.8
Paulo Maluf	9.6
Aureliano Chaves	8.1
Leonel Brizola	6.5
Luis Inacio Lula da Silva	4.0
Mario Andreazza	2.3
Janio Quadros	1.5
Helio Beltrao	1.2
Olavo Setubal	0.9
Ulysses Guimaraes	0.9
Esperidao Amin	0.9

**With Tancredo in Direct Elections**

If it were a direct election, Tancredo Neves would win an easy victory--29.9 percent of those voters questioned would vote for him, against only 9.6 percent who would vote for Maluf. The opposition candidate beats the one from the PDS in all the capitals, and in Belo Horizonte in overwhelming manner: 54 percent to 1.5 percent. The best ratings received by Maluf were in Salvador, 15 percent and Sao Paulo, 14.7 percent. However, he loses to Aureliano Chaves, the third in general ratings, in Belo Horizonte, Rio de Janeiro, Porto Alegre and Curitiba. He even loses to Leonel Brizola, who is in fourth place, in Rio de Janeiro and Porto Alegre.

The one in fifth place in the list is the president of the PT, Luis Inacio Lula da Silva, whose prestige among the voters, however, suffers the same distortion which characterizes the organization of his party: He obtained a surprising 9 percent of the preferences in Sao Paulo, but is practically unknown in the rest of the country. In Porto Alegre, Curitiba and Recife he did not even receive a single vote. Perhaps the greatest surprise provoked by this question is how far back the tenacious president of the PMDB is; he remained in 10th place behind public men who never competed in an election before; men such as Helio Beltrao and Mario Andreazza, and at the side of simply regional leaders such as the governor of Santa Catarina or even businessman Olavo Setubal. The consolation of all of them will be that Gen Joao Baptista Figueiredo, who even after 5 years in the Presidency of the Republic managed to obtain an insignificant .3 percent of the votes and remain in 19th place in the long list of those mentioned and even remembered by the voters questioned in Belo Horizonte, Porte Alegre, Curitiba, Salvador and Recife (Figueiredo does not appear in the charts because ISTOE did not consider ratings below 0.9 percent). In that respect, there is another honor conferred upon candidate Tancredo Neves by the poll: He is the only one, who with his 29.8 percent of voters preference, managed to exceed the indifference rating of 19.1 percent of those who did not show any presidential preference in direct elections.

## The Future Still Looks Black

Although the expressions of interest in the process of succession and in the candidates who participate in them have been great, the poll reveals that the majority of the voters questioned do not show great confidence in the future of the country, regardless of who is the winner in the election. The number of those who had their confidence increased--31 percent of those questioned--is greater than those who had their confidence decreased--12 percent--while 53 percent see no reason for great hopes despite Tancredo and Maluf. The younger voters--18 to 24--and women are the ones who have less trust in the future, while the voters in the 40 to 49 year group are those who harbor the greatest hopes.

Geographically, the question presents a notable oddity: the voters of Minas Gerais, where the largest group who support the candidacy of Tancredo Neves lives, are decidedly certain of a better future--48 percent against only 8 percent who do not believe in it, and 39 percent who do not expect any change. This was the only time that confidence beat indifference.

However, that oddity is only geographic because the other figures show that confidence is a characteristic of Minas Gerais and does not have anything to do with Tancredo. Of the voters who believe that the opposition candidate will win in the Electoral College, 34.5 percent believe in a better future, as do 34.3 percent of those who are confident of a Maluf victory. In both cases, there are few pessimists who think the worst and many of the indifferent do not expect significant changes after the elections.

The voters of the PTB, those who show less willingness to repeat the vote they cast for the subslate in 1982, are the ones who show greater hope for after the election: 36.1 percent. Those of the PT, who are solidly aligned with the party for any new elections, are the least hopeful: 23.8 percent. Those of the PMDB and the PDS, the only ones with their own candidates in the election, show a similar reaction to the question: 34.7 percent of the voters of both parties trust in a better future and 10.7 percent of those of the PDS and 9.5 percent of those of the PMDB fear the worst. Already among those who express their intention to vote in a future election are the voters of the PLP [Progressive Liberal Party], of the dissidents of the PDS, as the most trusting: 43 percent of them believe the future will be better against no one who saw it as worse.

3. Now that the two candidates have already been selected to run for the Presidency of the Republic, has your trust in the future increased, decreased or remained the same?

Increased	31.0
Decreased	12.9
Remained the same	53.0
No Opinion	3.2

### With Direct Elections on Their Minds

The great preference shown for Candidate Tancredo Neves in all the cities surveyed, despite his decision to compete for the Presidency of the Republic in the Electoral College, does not mean that the voters, who for months filled the public squares in the rallies for direct elections, have changed their position. As far as the majority of those interviewed is concerned--26.8 percent--the first political decision of the future president should be precisely the reestablishment of direct elections. The regional rates on that subject are equally significant. The direct election is of more interest to those interviewed in the capitals of states controlled by the PDS--42 percent in Recife, 30.5 in Porto Alegre. The numbers are smaller in the opposition capitals: 26.3 percent in Sao Paulo, 24 percent in Rio and 22.5 percent in Curitiba.

In the larger urban concentrations direct elections were not truly at the top of the list of urgent political measures for the new government. They were beat out in Sao Paulo and Rio de Janeiro by concerns about fighting crime, a question which does not arouse great interest in the smaller capital cities. Paradoxically, the saving of Social Welfare had scant impact in the two largest capitals, where there are the greatest worker concentrations of the country, it falling behind, for example, the fight against corruption 13.3 percent against 12 percent in Sao Paulo and 20 percent against 9.3 percent in Rio de Janeiro.

4. What, in your opinion, should be the first political decision that the next president should make?

Reestablish direct elections	26.8
Fight crime	24.0
Suppress corruption	14.3
Save Social Welfare	13.8
Call for a National Constituent Assembly	8.0
Insure Public Order	6.4
Others	2.6
Did not know or did not have an opinion	4.1

Two myths were irrevocably demolished by the poll, both of them lovingly cultivated throughout the last 20 years by the government and the opposition. On one hand, the question of maintenance of public order, one of the pillars of the regime implanted in 1964, in the name of which even the standards of training and action of state police were changed, and on the other, the convocation of a National Constituent Assembly, the subject of countless debates, seminars, speeches and disagreements among the members of the opposition. They are in fifth and sixth place in the survey as to which is the most urgent political measure to be taken by the future president be it the official candidate, Paulo Maluf, or the opposition candidate Tancredo Neves.

The people of Minas Gerais are more concerned with the safeguarding of public order--7.5 percent--and the people of Rio Grande do Sul, the least concerned--5 percent. However, the indexes vary little in the other capitals between those two extremes, which almost meet. In the same manner, the subject of the National Constituent Assembly is closer to the hearts of the people of Minas Gerais--13 percent--and farther away from the hearts of the people of Rio de Janeiro--5.3 percent--and in the other regions, the indexes vary little.

To indicate which is the most urgent political decision to be made by the future government was perhaps the most complex question asked of the voters in that poll. Taken all together, the results indicate that in the list of ills afflicting the voters, although the action demanded be political, the target of action is not necessarily the same.

Therefore, if direct elections show up in first place, where they were probably taken by the success of the recent campaign promoted by the opposition, the subsequent subjects are more of a social nature--fight against crime, public safety, Social Welfare, suppression of corruption in public administration. Complex though the question may be, it is noteworthy to see that the Brazilians know very surely what they want from their rulers: only 4.1 percent of those interviewed had no opinion on it.

#### The Debt is the Great Question

For 33.3 percent of those interviewed in the seven capitals, the main problem that will torment the life of the future president of the republic will be the foreign debt and not, as the rhetoric of the criticism of the economic financial policy of the government would have you believe, unemployment, which is in second place in the list with 26 percent of the choices. Inflation came in third place with 23.6 percent. Those are, in the judgement of the voters, the three great problems of the country. All the others contained in the poll received insignificant votes in all the capitals, even when they had to do with serious questions of the daily life of the population such as food (4.6 percent of the replies) or social inequalities (2.9 percent of the choice of those interviewed).

That was the question that resulted in smaller differences in the evaluation of the answers of voters from the seven cities polled. Between the highest rating of 49 percent registered in Curitiba and the lowest rating of 30.5 in Recife, the foreign debt rating oscillates a little but always appeared as the problem which torments the majority of those interviewed. Unemployment was between the maximum concern of 35 percent in Recife and the minimum of 18.5 percent in Salvador, where it appears below inflation, which won second place with 24.5 percent of the votes. However, it is inflation that in the north and south shows a more uniform line in the answers of those interviewed. The regional swings vary gently between the maximum of 26.5 percent in Curitiba and the minimum of 20 percent in Belo Horizonte.

Even so, there are regional peculiarities worthy of mention. The people of Sao Paulo are equally concerned with inflation and unemployment, as if one were the direct consequence of the other--23.7 percent of those interviewed point out one or the other as the greatest problem of the country. The people of Rio de Janeiro, like the inhabitants of all the other cities, think more about unemployment, the question which affects all more directly, and less about inflation. The exception to that rule are the people of Bahia, who surprisingly enough give unemployment a modest 18.5 percent rating, against 24.5 percent for inflation and another 36.5 percent to the foreign debt.

Other peculiarities, although of lesser import, are more difficult to explain. The people of Curitiba, the inhabitants of a state whose thriving agriculture always guaranteed everyone one of the best standards of living in the country, express a greater concern with social inequalities--4.0 percent of those interviewed. Paradoxically, those interviewed in Recife, the capital where all those fleeing from the drought and poverty of the remote interior of Brazil periodically congregate, gave this problem the lowest rating in the list of great problems of the future government--1.5 percent of the replies. In the general computation, social inequality figures in fifth place below food and above individual safety, education, health and housing, as one of the great problems of the country. For those who travel in the left lane of the political spectrum, it may seem a heresy to place a question of general order such as the foreign debt or inflation ahead of the problems which directly affect the citizenry. However, for whoever is preparing to take over a government eroded by inequalities of all types, that expression of public opinion is going to appear comforting at the very least.

5. In your opinion, what is the greatest problem the next president of Brazil is going to face?

Foreign debt	33.3
Unemployment	26.0
Inflation	23.6
Food Supplies	4.6
Social inequality	2.9
Safety	2.3
Housing	1.7
Education	1.6
Health	1.0
Others	1.4
Do not know or did not answer	1.3

Two Rise, Three Decline

Besides the question of succession, the poll reveals suggestive oscillations in the preferences of voters with respect to political parties, the main one being negative. In the direct elections for governors in 1982,

only 17.4 percent of them did not conscientiously choose a party, or because they voted a blank ballot they cancelled out their vote, did not vote or simply no longer remembered the party to which their candidate belonged. If the election were to be held today, however, 25 percent of them would be included in those categories.

Three parties fell in popular preference: the PDS, PDT and PTB, the latter being ruined--it obtained 6.3 percent of the voters in 1982 and today it would only have 1.7 percent. Undoubtedly it is the result of a severe condemnation of the voracious seeking of government posts and favors undertaken by the leaders of that slate. The PMDB was more fortunate and it is witnessing its complicated transition from a noisy and festive campaign for direct elections in the streets to competition in the closed Electoral College being royally compensated: the 35.2 percent who chose its slate in 1982 have increased to 40.3 percent. Already the obstinacy of the PT in rejecting the Electoral College and remaining faithful to the campaign for direct elections has also been recompensed, although modestly: the 8.8 percent who preferred its slate in 1982, have grown to 9.7 percent in 1984.

More surprisingly, in any case, are some regional numbers which at times contain inexplicable contradictions. In Greater Sao Paulo, all the parties lost to the undecided, who jumped from 16 percent to 30 percent of the voters. The only exception was the PDS, which had a shaky 12 percent of the votes in 1982 and now has 13.7 percent. The PMDB of Governor Franco Montoro fell from 40 percent to 37 percent, the PT of Luis Inacio Lula da Silva fell from 18 percent to 17 percent, and the PTB of Janio Quadros fell from 11 percent to an insignificant 1.3 percent.

In Rio de Janeiro, the PDT [Democratic Worker's Party] of Governor Leonel Brizola fell from the 37.7 percent, which gave him the victory in 1982, to a worrisome 18.7 percent. Already the PMDB, ruing its status as the opposition, has rid itself of the "Chaguista" taint which led it to defeat 2 years ago, and has jumped from 12.7 percent to 26 percent, undoubtedly an impressive retaking of lost ground. The same thing happened in Porto Alegre, where the main party of opposition jumped from the 36.5 percent of 1982 to 49.5 percent of the votes, which would certainly give it the victory if there were to be an election in 1984.

6. For which party did the gentleman or lady vote in the November 1982 election and for whom would you vote if the elections were today?

	1982	1984
PDS	19.7	14.7
PDT	12.8	7.2
PMDB	35.2	40.3
PT	8.8	9.7
PTB	6.3	1.7
PLP	-	1.0
Blank	1.1	2.1

Cancelled	0.9	1.1
Do not remember	5.4	-
Do not know	-	18.2
Did not vote	10.0	-
Will not vote	-	3.6

The final figures of the poll indicate that only the PMDB and the PT, even though on different levels in size and regional distribution, have consolidated structures that will make them immune to the possibility of a new party reform contained in the programs of the two candidates to the Presidency of the Republic. Parties like the PDT and PTB will continue to exist only because of the personal prestige of some of their few members. The PDS, finally, is declining in the degree in which the prestige of the government it serves declines, and contradictions caused among the rank and file by the new winds in the democratic opening increase. It will be the largest, if not the only one, that will provide voters for the PDP, of the dissidents headed by Vice President Aureliano Chaves, which even before it became formally organized has already obtained 3.3 percent of the voter preference in Rio de Janeiro and 1.0 percent in Recife.

8908  
 CSO: 3342/154

BRAZIL

PROGRESS IN ENERGY SECTOR, PROSPECTS IN 1993 VIEWED

Brasilia CORREIO BRAZILIENSE in Portuguese 19 Sep 84 p 11

[Text] In 1979, Brazil produced fewer than 200,000 barrels of petroleum per day and its dependence on other countries for its energy was at a level of high risk. Energy production from domestic and alternative sources was insignificant. The country was still adjusting to the energy crisis at a snail's pace.

Within the rigorous process of adjusting the Brazilian economy to an international recession, the country undertook a great effort to overcome its weakness in the energy field, as an essential condition to enable Brazil to readjust its economic model and insure the correct path to a secure resumption of development.

The results achieved have more than made up for the effort put forth. Petroleum production tripled, reaching 500,000 barrels per day, ahead of the scheduled period. Alcohol production also increased significantly, as did production from other energy sources.

This development permitted a reduction in foreign oil purchases and represents the solid base needed by the country to resume growth. Projections of the Ministry of Mines and Energy indicate that Brazil will be self-sufficient in energy 9 years from now, thanks to the impetus given to the sector in the last 5 years.

The foreign debt crisis came to result in the rapid reduction of Brazil's dependence on imported energy. According to the minister of mines and energy, within 9 years Brazil will be producing 1 million barrels of petroleum per day, thus guaranteeing its energy independence. The country will no longer be spending foreign exchange to burn up as energy and will find it easier to attend to other imports and to reduce the foreign debt more swiftly.

The adjustment of the balance of payments to the world crisis at the start of this decade has already meant substantial savings in foreign exchange through a reduction of petroleum imports and their replacement by alternative sources. According to PETROBRAS [Brazilian Petroleum Corporation], overall expenditures on imported petroleum should stand at \$6.5 billion this year, which is not a large figure, considering that Brazil was paying as much as \$10 billion per year for the fuel consumed in its vehicles and machines. We were in a dangerous

cycle, because the country's industrialization was based on a highway model, and suddenly petroleum prices had run away.

This freeing up of foreign exchange to pay off the foreign debt was not only the result of more rational domestic consumption and increased domestic production, but also a result of the program to replace imported derivatives with domestic and alternative energy sources--such as alcohol, coal, biogas, etc. The goal of the government's energy policy is to stabilize domestic consumption of petroleum at about 1 million barrels per day. This level is considered technically compatible with the projected growth rate of the PIB [Gross domestic Product], moving from the stabilization of the last 2 years to 2 percent in 1984 and 3 percent, 4 percent and 5 percent in the next 3 years, stabilizing at about 5.6 percent between 1989 and 1993.

Above the level of 1 million barrels per day, domestic consumption will be served by alternative forms of energy, primarily alcohol, coal and the use of hydric resources to generate electricity. The projection of the Ministry of Mines and Energy for energy demand in the 1983/1993 period estimates a growth of 6 percent annually in total consumption, from the equivalent of 2.47 million barrels of petroleum last year to 4.43 million 9 years from now.

With this projection, the expected energy supply for the next years was based on maximum use of domestic and alternatives sources and forms of energy: maximum use of electric power, minimum petroleum-based generation and increased production and reserves of petroleum and natural gas.

Within this policy of the use of alternative sources, the prospect for 1993 is for consumption of about 19.7 billion liters, representing an increase of 9.5 percent per year from 1983--or practically double the goal established for next year in the Brazilian Energy Model.

The production of hydrated alcohol should increase from 5.4 billion liters to 16.1 billion liters by 1993, while anhydrous alcohol production will increase from 2.6 billion to 3.6 billion liters in the same period, with total production increasing from 8 billion to 19.7 billion liters. The acreage needed to support this production is 4 million hectares, which is just 8 percent of the agricultural acreage of the country in 1980.

In this regard, 35 percent of Brazil's automotive fleet will be powered by hydrated alcohol by 1993, and the remaining vehicles will be powered by gasoline in a mixture with up to 20 percent alcohol. The use of alcohol and gasoline in commercial vans and light trucks will also replace the diesel oil consumed in these types of vehicles, which will mean an indirect substitution of diesel by alcohol.

Another important contribution to the replacement of petroleum is the sugar cane bagasse from the sugar and alcohol refineries, replacing 50,000 equivalent barrels of petroleum [bep] by 1993.

Prospects for the use of timber as a fuel are optimistic. Mines and Energy Ministry calculations indicate an energy production equivalent to 847,000 barrels of petroleum per day. Of this total, 80 percent will come from native forests

and the rest from reforestation. With this , there will be a decline in the proportionate weight of timber in the final consumption of energy in the country in 1993.

To produce 173,000 bep/day from timber by 1993, it will be necessary to increase the forest acreage from the 1 million hectares now available for energy needs to about 2.8 million hectares. With the development of native forest management techniques, this area of forestation could be reduced. Part of this timber is transformed into 116,000 bep/day of vegetable coal, basically for the steel industry. The government estimates that the contribution of timber to substitute for the expected consumption of fuel oil should be about 55,000 bep/day in 1993.

In the effort to substitute for imported energy, Brazil is also modernizing its coal mining, with the introduction of new techniques and increased private investment in the sector, such that last year's production figure of 6.4 million tons will be almost quadrupled in 10 years, to 24 million tons in 1993, according to government projections. Of this total, 21.8 million tons will be used to produce power: 11.4 million tons for coal-powered thermoelectric plants and 10.4 million tons utilized in industry.

These estimates presuppose a mixture of domestic metallurgical coal, 20 percent, with imported coal, with a resulting need to import about 8 million tons in 1993.

The contribution of domestic mineral coal in substituting for the expected growth in the consumption of fuel oil has been estimated at 35,000 bep in 1993.

Shale oil will also play a part in the development of the nation's energy production; it can be cracked to produce medium and light derivatives. Shale's contribution in replacing petroleum derivatives should reach 13,000 bep by 1993. Cesar Cals, minister of mines and energy, notes that Brazil has the second largest shale oil reserves in the world and has already mastered the technology for its exploitation, opening up this activity to private initiative.

Other alternative energy sources being developed in the country should contribute 25,000 bep in 1993, and 12,000 of this would replace the expected increase in the consumption of petroleum derivatives.

The contribution of these sources to Brazil's energy self-sufficiency is modest, within the scenario outlined by the government for the next 9 years, but their importance is linked primarily to the development of the Brazilian interior.

Locations far from the centers of power generation could reduce the demand for fossil fuels through the growing use of such local energy resources as vegetable oils, solar energy, babacu palm, peat, biogas and gas from wood.

The principal uses of these resources are:

--Solar energy: residential and rural use, primarily in replacing liquefied petroleum gas [LPG] to heat water.

--Vegetable oils: as "vegetable diesel" to replace the petroleum derivative in regions where transportation makes the final price of the substitute competitive.

--Babacu: through the use of the husks (left over from the oil extraction process) in the production of vegetable coal and tar.

--Wood gas: obtained from gas plants , to replace the fuel oil used in industrial districts with a consumption of more than 100 tons/day of fuel oil.

--Biogas: obtained from biodigesters, using animal dung and agricultural residue for rural power and also to produce organic fertilizer. It will also provide rural energy for illumination, for gas stoves, to run machinery and power generators, etc.

--Peat: with known reserves amounting to the equivalent of 815 million bep per day [as published], along with timber, it can be used as a complementary source in substituting for fuel oil.

Within the policy of maximizing the use of domestically produced electric power, the Brazilian generator capacity will grow from 40,000 megawatts to 80,800 megawatts (or 80.8 million watts) in 1993. Of this total, the hydroelectric plants which are currently generating 34,000 megawatts will be producing 63,600 megawatts 9 years from now. In this period, power generation in thermoelectric plants using fuel oil and diesel should remain at the same level as last year, with an increased contribution from the plants powered with mineral coal and other fuels. [By 1993], the country will also be generating 4,300 megawatts in Brazilian nuclear plants, according to estimates from the Ministry of Mines and Energy.

With the enormous hydroelectric potential which still remains to be exploited, with its reserves of mineral coal and uranium and its bioenergy potential, together with the advanced technology available to it, Brazil could generate enough electricity to meet future power needs without the use of petroleum derivatives within the next few years.

According to the Ministry of Mines and Energy, the development of the electricity sector depends strongly on the specific demands of various segments of the consumer market, particularly the residential, commercial and public sectors, as well as on the promising prospects for increased industrial use. The growth of this last sector, both in specific consumption and in the encouraged use of thermoelectric power as a substitute for petroleum derivatives.

This year the consumption of diesel oil in isolated power generator systems, excluding the capitals, will reach over 4,000 bep/day.

Increased investments in exploration and production, together with the establishment of the domestic price at levels close to those quoted internationally, will not only lead to an increase in domestic production of petroleum but to an expansion of Brazilian reserves of hydrocarbons.

Just 10 years ago, Brazil was producing 164,000 barrels of petroleum per day. This figure has risen annually, recently reaching 500,000 barrels per day, ahead of the predicted timetable. In the same period, it has been possible to delimit 50 percent of the volume of all the discoveries in the period from 1954 to 1978, with the prospect of arriving at self-sufficiency in 1993, when we will be producing 1 million barrels per day, with reserves for 10 years. In 1985, domestic production will reach 530,000 barrels per day, according to PETROBRAS.

The government's plan for this sector is to gradually increase domestic production of petroleum while maintaining a balance between reserves and production to last for 10 or more years; to identify and map petroleum fields that contain 4.2 billion barrels of oil in the period from 1984 to 1993; and, after 1994, to maintain domestic production at 1 million barrels per day and to maintain the reserve/production balance at internationally accepted standards (10 years), with the identification and delimitation of petroleum fields [at a rate of] 365 million barrels per year.

Adding the reserve of 1.9 billion barrels existing in December 1983 and the 4.2 billion barrels expected during the period 1984/1993, and subtracting the 2.5 billion barrels that will be produced in this 9-year period, by December 1993 Brazil will have 3.6 billion barrels in reserve, precisely when it will register zero petroleum imports. Regarding the revision in the organization of the refining of crude oil, there will be a continued effort to increase production of diesel oil through the acceleration of the program known as "bottom of the barrel," with the installation of deasphalting and coking units, which will be possible with the reduced consumption of fuel oil.

With the expectation of doubling petroleum production in 8 years, Brazil will also increase its supply of natural gas for consumption, from the 51,000 bop/day in 1983 to 139,000 barrels per day in 1993. Since 1983, important natural gas reserves have been identified, notably those of Jurua, in Amazonia, estimated at 800 million bop. Total production of natural gas will go from 73,000 barrels per day in 1983 to 213,000 barrels 10 years from now. Of this total, 74,000 barrels should be reinjected and consumed in the oil fields themselves. The Jurua reserves alone will be producing 95,000 barrels per day, making 90,000 barrels per day available to the consumer by 1993.

Production of associated gas, together with the availability of free natural gas, will bring about a radical change in the structure of energy consumption, according to studies of the Ministry of Mines and Energy.

Light derivatives (LPG and natural gasoline) are obtained from natural gas, which will contribute to the replacement of imported energy and will help meet the growing domestic demand. Fractions of the so-called wet and dry gas will be used directly in residential consumption, complementing the GLP used in stoves and heaters, in the petrochemical industry, replacing part of the naphtha now consumed, and in urban public transport, replacing diesel oil in the coastal capitals.

These forecasts of energy self-sufficiency take into account that the country's total energy consumption in the period from 1983/1993 will maintain the same rate of growth as in the previous decade--or almost from the first petroleum crunch to the foreign debt crisis. The renewable energy sources will present the same historic growth, increasing their role in consumption. Brazil's petroleum consumption will have a negative growth rate, unlike other non-renewable sources--such as natural gas, energy coal, uranium and shale--and renewable sources such as hydraulic energy, sugar cane and timber.

Along this same line of concern for national energy independence, the most recent years have also been marked by a significant growth in the country's mineral

production, both for export and to meet domestic consumption needs. The economic subsector of mining presented high growth rates even during the recent declines of the GDP, and investments have been directed primarily at technological development and increased production.

With a mineral wealth equalled by few countries, Brazil only needed more investment in the sector to reap immediate results. The current administration gave priority to private investments, feeling that the mining sector should also be economically attractive. Thus the government also sought to offset the shortage of public funds for investment after the balance of payments crisis dictated a readjustment of the national economy.

The first difficulty was the serious problem of the "journeys" of the minerals around the country, i.e., the expenditure of energy to transport energy, as occurred in the case of phosphates. The solution arrived at was to regionalize mining activity, seeking to give priority to each area in accordance with the minerals it possessed. Priority was given to the phosphate deposits in Goias and Minas Gerais, reactivating the Nova Olinda company in Pernambuco, and at the same time a new front was opened in Ceara, with the phosphate associated with uranium.

In the area of fertilizers, whereas agriculture once depended on imports, Brazil has been able to achieve self-sufficiency in fertilizers and phosphates. The first potassium mine in the Southern Hemisphere was opened, with the discovery of the large bank in Nova Olinda, and we are also seeking self-sufficiency in sulfuric acid, with programs in the south, copper sulfates in Goias and Maranhao, etc. We have not yet achieved self-sufficiency in native sulfur, but prospecting is proceeding in Sergipe.

"Practically, we are going to keep mineral imports to a minimum, and we have increased exports of iron ore, despite the world recession in the steel industry, as well as of manganese, niobium and now nickel," Cesar Cals notes. Technological development applied to mineral exploitation contributed to this achievement, of strategic importance to the country.

For example, gold production in 1979 was about 4.3 tons per year, 3.5 tons of which came from a single mine (Morro Velho) and the rest (less than a thousand kilograms) came from individual prospectors; last year Brazilian gold production reached 50 tons and it will reach 70 tons this year.

Geologists estimate that Brazil has underground deposits of about 30,000 tons of gold, much more than South Africa, the world's largest producer, at about 700 tons per year. The minister of mines and energy believes that Brazil could produce as much as 400 tons of gold per year by the start of the next decade, particularly because, whereas the country once had just one mining company in this area of activity, it now has 40 companies.

[Regarding] the four minerals which represented 60 percent of the imports in 1979, the government has concentrated its efforts on fertilizers, gold, aluminum and copper. To meet domestic demands, priority has been assigned to limestone, clay, gravels, rock, asbestos, etc. Regarding aluminum, the country has moved from importer to exporter, and the aluminum plant in Maranhao is now in operation.

"We are also seeking to open small mines and we have identified a reserve of 1 billion tons (copper ore in association with gold) in Carajas, enabling us to predict self-sufficiency around 1987/1988," according to Cesar Cals.

An example of technological development applied to mining was the Campanhia Vale do Rio Doce's recent mastery of the technology of titanium, considered the metal of the future; we have large reserves of titanium in Minas Gerais. The country has modernized its coal mining, no longer viewing it as a public undertaking that could only proceed with government subsidization, and we have entered into the technology of peat, which is a form of mineral coal from vegetable matter which has not completed the mineralization cycle. Various reserves of this petroleum substitute have been identified in Sao Paulo, Bahia, Sergipe, Pernambuco and Amazonas.

The major mining project of the Figueiredo administration is Carajas, which Minister Cesar Cals considers a "real geological anomaly," with a great variety of metals within a 50-kilometer radius: 18 billion tons of high-content iron ore; enormous reserves of bauxite (4.5 billion tons in Carajas and Eastern Amazonia); a little over 1 billion tons of copper in association with gold; 60 billion tons of manganese; 50 million tons of nickel; and about 100,000 tons of cassiterite (throughout the mineral province), in addition to the babacu palm, which could provide the metallurgical coke, and the forests of the Maraba region, in Para, with the proper management.

Projects combining energy sources and metals have been developed in various areas--iron ore, iron alloy, copper, cassiterite, aluminum, limestone reserves, etc--and transport from Carajas is assured by two routes: by rail to the port of Sao Luis, in Maranhao; and by Tocantins waterway via the Tucurui dams to Belem.

The Carajas iron ore project, which is the largest in the world, should be inaugurated by President Joao Figueiredo on 1 March 1985, ahead of schedule, thus permitting a savings of about \$1 billion in the World Bank budget.

With this, Carajas is demonstrated to be, not a project for the exportation of raw materials, but an ambitious program for finished or semi-finished products, and it will also bring Amazonia into the next stages of Brazilian development.

Table 1. Gross Electric Power Generation |unit of measurement not specified|

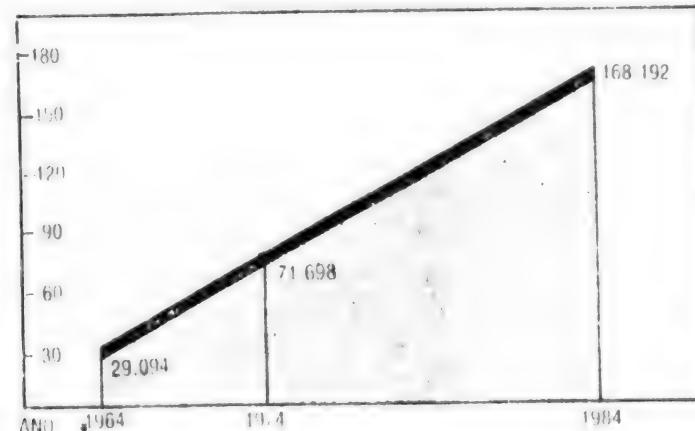


Table 2. Number of Households Served (in millions)

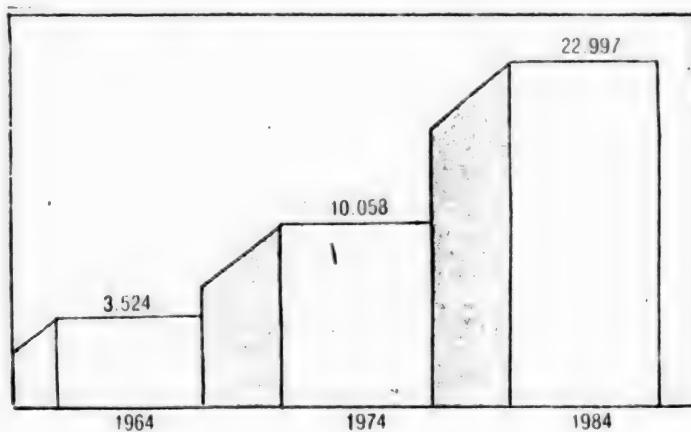


Table 3. Total Energy Consumption

<u>Sources</u>	<u>1983 (1,000 bep/day)</u>	<u>Percent</u>	<u>1993 (1,000 bep/day)</u>	<u>Percent</u>
<b>Non-renewable</b>	<b>1,013</b>	<b>41.0</b>	<b>1,584</b>	<b>35.7</b>
Natural gas	23	0.9	160	3.6
Energy coal	29	1.2	104	2.3
Petroleum Deriv.*	854	34.5	993	22.4
Diesel oil	296	12.0	356	8.0
Fuel oil	174	7.0	90	2.0
Gasoline	135	5.5	169	3.8
GLP	73	2.9	115	2.6
Others	176	7.1	263	5.9
Electricity	35	1.4	216	4.9
Other non-renewable	72	2.9	115	2.6
<b>Renewable</b>	<b>1,461</b>	<b>59.0</b>	<b>2,853</b>	<b>64.3</b>
Timber	405	16.4	606	13.7
Electricity	773	31.2	1,615	36.4
Vegetable coal	79	3.2	116	2.6
Sugar cane bagasse	126	5.1	241	5.4
Ethyl alcohol	77	3.1	256	5.8
Other renewable	1	0.0	19	0.4
<b>Total**</b>	<b>2,474</b>	<b>100.0</b>	<b>4,437</b>	<b>100.0</b>

\*Excluding GLP, gasoline, etc. from natural gas and shale

\*\*Excluding final consumption in energy sector, coking gas and non-energy sugar cane derivatives

**Table 4. Projected Energy Demand (in 1,000 bep/day)**

<u>Sector</u>	<u>[Apparent]</u>	<u>Independence</u>	<u>Growth Rate, 1983/1993</u>
	<u>1983</u>	<u>1993</u>	<u>Percent per year</u>
Residential, Commercial, Public	701	1,185	5.4
Agriculture	131	260	7.1
Transport	510	845	5.2
Industrial*	941	1,862	7.1
Non-energy uses**	191	265	4.1
<b>Total</b>	<b>2,474</b>	<b>4,437</b>	<b>6.0</b>

\*Excluding coking gas

\*\*Excluding non-energy distillates

**Table 5. Alcohol Production (in 1 billion liters)**

<u>Type</u>	<u>1983</u>	<u>1993</u>
[Hydrated]	5.4	16.1
[Anhydrous]	2.6	3.6
<b>Total</b>	<b>8.0</b>	<b>19.7</b>

**Table 6. Coal Production (in millions of tons)**

<u>Type</u>	<u>1983</u>	<u>1993</u>
Metallurgical Energy	1.2	2.2
Thermoelectric Industry	2.0	11.4
	3.2	10.4
<b>Total</b>	<b>6.4</b>	<b>24.0</b>

**Table 7. Natural Gas Production, Independent Scenario (in 1,000 bep/day)**

<u>Production</u>	<u>1983</u>	<u>1993</u>
Total Available	51.4	229.4
--"Wet" gas	23.5	4.4
--Gas Plants	27.9	225.0
"Dry" gas	21.2	166.5
Gasoline	1.8	16.9
GLP	4.9	39.4
Losses	0.0	2.2

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GEN WALDIR DE VASCONCELOS INTERVIEWED ON FAMILY PLANNING

Sao Paulo VEJA in Portuguese 15 Aug 84 pp 5-8

[Interview with Air Force Gen Waldir de Vasconcelos, Armed Forces chief of staff, by Christiane Samarco; date and place not specified]

[Text] Anyone making a visit this week to the office of Air Force Gen Waldir de Vasconcelos, minister-chief of the Armed Forces General Staff (EMFA), will find displayed in a place of prominence a slide projector and a vast amount of audiovisual material that the minister is in the habit of proudly showing his friends. What he shows is not a dossier on the power of the Brazilian Armed Forces, and neither is it some kind of strategic study of Brazilian interests abroad. Instead, it constitutes a condensation of the minister's thoughts on one of his favorite subjects: family planning. It is a topic to which the 59-year-old Vasconcelos--a native of Minas Gerais, who married his wife Lia 30 years ago and has three children--has devoted special attention to over the past 30 years.

The minister comments: "Population growth in Brazil has been occurring in an incorrect, unjust, unequal, inhumane, and anti-Christian way." It was his discovery that population growth in our country is disorganized, threatens national integrity, social peace and progress, and therefore constitutes a question of national security that led Waldir de Vasconcelos to include the problem among the concerns of his office, which he has held since January 1983. The minister has been called on to deliver lectures on the subject--which he has done even in the War College--and he participated in drawing up the document on Brazil's stand on natality that Minister of Health Waldyr Arcoverde is defending at the World Population Conference in Mexico, which ends this week.

While awaiting the return of the Brazilian delegation, the minister-chief of the EMFA is accelerating the pace of studies aimed at establishing an official policy on family planning, the final touches to which are being worked out by the National

Security Council. He believes that the resulting legislative bill will be submitted to the National Congress within the next 30 days--and he is rooting for its quick transformation into law. To explain those studies in detail and express his opinions on family planning, Vasconcelos talked to VEJA last week.

VEJA: Why does Brazil need family planning?

Vasconcelos: Family planning is already being practiced in Brazil, but it is the privilege of middle and upper class families. Biological determinism is what prevails among low-income couples. Planning is a privilege even from the legal standpoint. If a penniless woman pregnant with her fifth or sixth child decides to visit a government hospital to seek a tubal ligation, she will certainly be told by the physician that it is illegal. So there is also legal discrimination.

VEJA: What is the government doing to change that situation?

Vasconcelos: A proposal is now under study by the Secretariat of the National Security Council. It was sent to the chairman of the National Congress when the Senate CPI [Commission for Congressional Investigations] on natality completed its work in November of last year. At that time, I, as a citizen and minister of state interested in this matter, participated in the work. The result was a government bill which, I hope, will be sent to Congress in the near future for new debate.

VEJA: What do you consider essential so that low-income families will have access to family planning?

Vasconcelos: In the first place, we must institutionalize family planning in this country--especially since the civilian organizations involved in this work are currently coming in for a lot of criticism. That institutionalization must take place through a federal law approved by Congress. Once family planning is established as a national aspiration, all the necessary technical coordination will be available. If there is no official program, no one will provide the support that low-income families need.

VEJA: What kind of support is that?

Vasconcelos: The first aspect is that of information, with the woman being advised to keep an interval of 2 years between children. Then she should be given advice concerning the contraceptive methods she wants to use. This must be done by a physician, who in specific cases may even recommend a tubal ligation. That is one of the items we are proposing for inclusion in the government's official program.

VEJA: What led you to participate in the formulation of this program?

Vasconcelos: My first contact with the problem occurred in 1954, when I was a captain in an air force unit in Recife. As head of the personnel section,

I received birth certificates in connection with the payment of family allowances. The thing that caught my attention was that in one 6-month period, one employee turned in four certificates for children he had fathered through four different women. That is how poverty and destitution are created, since a child consumes a lot more than one family allowance.

VEJA: Is that a common example in Brazil?

Vasconcelos: Yes. The case I mentioned reflects what I call irresponsible parenthood. A family produces a number of children that it has no possibility of raising with dignity. When children are born, they have a right to health, food, an education, and clothing. And the government, which represents society, cannot provide all that. It is also irresponsible to have an enormous number of offspring and then say that the government is responsible for taking care of them. That means shifting the problem to one's neighbor.

#### Half of Recruits Unfit for Service

VEJA: What did the problem become part of the EMFA's concerns?

Vasconcelos: In 1968, as a member of the Secretariat of the National Security Council, I tried to start a discussion of the problem, but the idea was rejected because at the time, there was no national awareness of the problem. I finally brought up the issue of population growth and family planning last year, when I became a minister. And I was encouraged by the president's message to Congress on 1 March of last year, in which it was said that the subject "deserves sustained study by society and its institutions." On that occasion, I examined the statistics on military service throughout the country and discovered that only 53 percent of the 18-year-olds called up for their physicals are considered medically fit for service. The other 47 percent--that is, 360,000 young men last year alone--were considered unfit for service because of problems related to malnutrition, dental deficiencies, insufficient weight and height, reduced visual acuity, and congenital degeneration of their lower extremities and spinal columns.

VEJA: What conclusions do you draw from those figures?

Vasconcelos: They seem to point to a degeneration of the Brazilian male. Those young men did not perform their military service, and by now they must be on the labor market. They are youngsters who came from families of slumdwellers and Northeasters. The figures I have collected refer to males, and since there are statistically more women than men, there must be even more young women in the same condition. What disturbs us is the poor quality of the Brazilian male.

VEJA: Do you mean that the decision on how many children to have is entirely up to the parents, but that the physical and mental quality of individuals is a factor in national security?

Vasconcelos: Correct, but let us examine the reason why. National security--which has nothing to do with the National Security Law--is the guarantee

provided to the nation, chiefly by the state, that our permanent national aspirations will be achieved and preserved. Those aspirations are democracy, national integration, the integrity of our national heritage, social peace, progress, and sovereignty. And if the younger generation is the guarantee of the future, we must have healthy men to guide the nation in the future. If we, who are the present generation, do not have that concern, the future will make us pay.

VEJA: In this analysis, where, specifically, does the problem of national security lie?

Vasconcelos: This contingent of young people, undernourished and deficient in other ways, may jeopardize attainment of our permanent national aspirations. A child's brain continues to develop until the age of 6, and if he is undernourished up to that age, his mental development is in jeopardy. And what can a generation of inferior beings, whose lives are fragile, brief, and genetically defective, do for democracy? Will they have enough intelligence to choose their representatives well? Brazil must be a homogeneous country, without a lot of wealth or a lot of poverty, so that we can have a just society. Besides, unwanted children are doomed to be unloved and to suffer abandonment and malnutrition.

VEJA: Does that homogeneousness require that we have a regionalized population policy?

Vasconcelos: I think so, because it is in the Northeast that Brazil's largest population increase is occurring. It is the old example of the family of Northeasterners with 11 children and the mother pregnant with the 12th, living in a crude thatched hut that is probably full of barber bugs. When very great differences are created, social peace is endangered. Today we constitute two Brazils, even though the social aspirations of the poorest and the richest are the same. I am not blaming anyone, but I want to see an aware collective attitude toward the phenomenon of human reproduction that will result in small families suited to their sociocultural reality.

#### Even Cuba Has Family Planning

VEJA: In your opinion, is it the high rates of population growth that are responsible for the situation of hunger and poverty?

Vasconcelos: I would say so. We can have the best of economic plans, but if there is no rational population growth, we will still have hunger and poverty.

VEJA: The position being defended by the U.S. Government at the World Population Conference in Mexico is that the solution to the problem of poverty does not lie in birth control but in incentives to private enterprise. What do you think of that?

Vasconcelos: President Ronald Reagan is able to talk that way because he currently governs the richest country in the world, where the rate of population

growth is 0.7 percent per year. We are growing an annual rate of 2.45 percent, and Central American countries such as El Salvador, Honduras, Guatemala, and Nicaragua, like all the other poor countries in the world, are growing at a rate of over 3 percent. That is why we have to encourage family planning.

VEJA: Do you believe that Central America's problem today is basically its high rate of population growth?

Vasconcelos: Exactly. And speaking of that, when Fidel Castro took over the government in Cuba, the population was increasing at an annual rate of 3.5 percent. He introduced a family planning program with the help of the United Nations, and that rate has now been reduced to 0.9 percent. A delegation representing all the parties visited Cuba and Mexico last year, and some congressmen were approached by Fidel Castro himself, who remarked that he did not understand why Brazil had not yet started a similar program. It is the United Nations that is sponsoring the World Population Conference now taking place in Mexico. And if we analyze the question from the worldwide standpoint, we will see that the end of the world is going to be brought on not by war but by the fact that population is growing at a much faster rate than the ability to produce food.

VEJA: You avoid talking about birth control, always preferring the expression "family planning."

Vasconcelos: Birth control is an act imposed on the family by the state, as is happening in China. Family planning is a sovereign act by the parents in which the state participates by supplying the material and human resources allowing the parents to decide how many children they want to have.

VEJA: In the past, there has been resistance in the Armed Forces to the adoption of an official program on family planning. Does it still exist today?

Vasconcelos: If it does, it must be an isolated voice. Any officer today, whether in the navy, the army, or the air force, fully supports the formulation of a program of this kind. The theory which says that a large country must have a large population is out of date. Brazil does not need quantity--what it needs are men of quality. Of the 410,000 young men considered fit for military service last year, only 114,000 were actually called up, because that was all we needed.

#### State Must Offer All Methods

VEJA: What rate of growth do you consider ideal for Brazil?

Vasconcelos: I feel that the country should be growing at an annual rate of 1 percent. We must take the current population of 132 million into account. At the rate I mentioned, our population would already be growing by 1.3 million people a year. In the past 20 years, our population has increased by 54

million. The National Housing Bank, which was established after the 1964 Revolution, began building low-cost housing in quantity, but how could everyone's needs possibly have been met when we were growing at a rate of 3 percent at the time? We built classrooms, and the population kept increasing. We hired more teachers, but there were never enough of them.

VEJA: Even though we rank eighth among the world's economies, our social indicators are still very bad. How do we analyze that contradiction?

Vasconcelos: The government has invested the maximum possible in the field of economic and social development. But if we are to achieve a balance between those investments and an improvement in the quality of life for Brazilians, population growth must also be in balance. The GDP has risen by 197 percent in the past two decades, but income per capita has risen by only 88 percent because of the excessive growth in population.

VEJA: Hasn't population growth contributed to the increase in manpower and, as a consequence, to the country's development?

Vasconcelos: The problem is that we have never managed to reverse the equation and replace quantity with quality. My big concern is with the quality of Brazilian man. If you have undernourished children, what are they going to contribute to the labor market? Their contribution will be minimal, because those children will not be equipped to compete in the labor market, and unfortunately, they will be left on the sidelines.

VEJA: Critics of family planning programs argue that there are vast expanses of empty space in the country that need to be settled. What is your reaction to that kind of remark?

Vasconcelos: It is a major fallacy to say that Brazil is a country covering 8.5 million square kilometers and must therefore have a large population. Almost half of Brazil's territory is in Amazonia, and only a few parts of that can be settled--and even then only if it is done in a rational manner. On the other hand, there are coastal strips where the population density exceeds 850 persons per square kilometers.

VEJA: What form should that settlement take?

Vasconcelos: It must be the work of strong men, not groups of Northeasterners consisting of rural families with 11 children. To exploit the region's resources, man must be supported by investment. For example, settlement of the empty spaces is not going to be furthered by a human contingent whose condition is like that of the 47 percent who were rejected by the military on medical grounds. The people who do it must be much better qualified, and they must have big investments behind them.

VEJA: In your opinion, how should a good family planning program be carried out?

Vasconcelos: In order to provide a couple with advice, for example, it is necessary to supply them with medical information enabling them to control the number of their offspring. I feel that departments of family planning should be established in our medical schools so that every physician will be able to teach contraceptive methods.

VEJA: Do you support the idea of performing tubal ligations and vasectomies in the network of hospitals operated by the federal, state, and municipal governments?

Vasconcelos: I favor government support for all methods other than abortion, including the intrauterine device (IUD). The only thing we will not permit is abortion. We are proposing an official policy on family planning. It would be coordinated by a higher council of the highest caliber.

#### Abstinence Difficult for Brazilians

VEJA: Does the position taken by the Catholic Church, which approves only of so-called natural contraceptive methods, interfere in any way with the implementation of a family planning policy in this country?

Vasconcelos: The church interferes to the extent that the natural methods it advocates require too much information and skill to be adopted, for example, by an illiterate couple. Besides, those methods involve sexual abstinence by the man--something difficult for a Brazilian to understand. But in the most needy sectors of society, the church is not strong enough to interfere decisively. The fact is that there is no family planning because the government is not yet able to reach that sector of society.

VEJA: What can be done to reach it?

Vasconcelos: The task of taking information to the people who need it can be handled by volunteers. And I have already received calls from people interested in helping in that work, which at present is prohibited by law. But if a family planning program is given official approval, it will be possible to disseminate information about contraceptive methods.

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COUNCIL APPROVES 1984 OPERATING EXPENDITURES

Road Town THE ISLAND SUN in English 8 Sep 84 pp 1, 2

[Text]

At the sitting of the Legislative Council on Thursday of last week (30th August), there was introduced by the Minister for Finance a motion (Resolution) resolving that the Council approve the sum of money detailed in the Schedule to the Resolution for (a) Operating Expenditure amounting to \$284,009 to be charged against the Consolidated Fund of the Territory for the year 1984; and (b) Capital Expenditure amounting to \$74,039 to be charged against the Capital Fund of the Territory. With exception of questions dealing with clarification pertaining to the Schedule, there was hardly any debate on the motion which was passed by voice vote.

Two Bills introduced received first readings and were deferred for further action at the next sitting of the Legislative Council. The two Bills are (a) Customs (Amendment) Ordinance. The object of this Bill is to amend the Customs Ordinance (Ordinance No.8 of 1975) to remove a number of anom-

alies appearing therein, and to create specific offences where penalties have been described under that Ordinance; and (b) a Bill entitled "The Diplomatic Privileges (Vienna Convention) Ordinance, 1984". The object of this Bill is to give legal effect in the British Virgin Islands to the Vienna Convention done in 1961 to confer diplomatic immunities, powers and privileges on diplomatic and consulate representatives, and provide for related matters.

At the start of the sitting, the following documents were laid on the Table by the Chief Minister: S.I. 1984, No. 6 The Stamps (Olympic Games 1984 Issue) Order; S.I. 1984, No. 9 The Stamps (1984 Festival Issue Order, 1984); The Social Security Board, British Virgin Islands Report for the period January to December, 1983. Also laid on the Table (by the Minister for Communications and Works) S.I. 1984, No. 8 The Roads (Construction and Classification) Regulations, 1984.

CSO: 3298/001

CHILE

MOSCOW: PCCH POSITION ON ARMED FORCES

PY261730 Moscow in Spanish to Chile 2000 GMT 22 Sep 84

[Press conference granted by the Chilean Communist Party to Chilean and foreign journalists, in Chile, date not given; issued in the form of a communique over the "Voice of the Fatherland Feature," and specially directed to members of the Chilean Armed Forces and the Carabineros Police]

[Text] The following is the complete text of the questions and answers from an interview given by the Communist Party of Chile [PCCh] in relation to the Armed Forces and the political situation. Its release to the Chilean people and especially the members of the Armed Forces will be an important contribution in the search for democracy, freedom, and justice in our country.

First question: Does the PCCh believe that a negotiation with the Armed Forces is unavoidable? Yes, no? Why yes, why not?

Answer: We can say from our point of view that dialogue with the Armed Forces is desirable. It could save a great deal of suffering for our country and especially for our people. Who opposes and obstructs so far this dialogue of the Armed Forces with the democratic forces, including the Communists? It is Pinochet, in addition to his aides such as Guillard or Gordon, among the men in uniform, or Jarpa or Rodriguez, Fernandez, and Guzman among the civilians.

Therefore such dialogue will only be possible if the Armed Forces get rid of the Pinochet gang. If this happens it will be the result first of all, of the all-out struggle against the dictatorship. The answer goes on, this will only be possible if the feelings of patriotism come out, feelings we are sure are embedded in many military officers. If dialogue becomes impossible and confrontation gets worse in the country it will not be our responsibility. It will be because the nonfascist officers were incapable of changing their attitude to overcome the dictator's obstinate position, which is make into a holocaust his internal war against the people.

How does the PCCh view possible negotiations? You talk about negotiations, but the first thing is dialogue and the objective cannot be other than the urgent reestablishment of a democratic regime to ensure total respect of human rights and a government of the majority to carry out the recovery of the country from the serious crisis caused by the dictatorship and also the

recovery of the national prestige of the Armed Forces. This recovery can only be achieved around a new military doctrine and the democratization of the military institutions.

Another question: If in these negotiations the Armed Forces set forth nonnegotiable bases, such as denying the right to a political victory, understanding that negotiations can bypass a strategy of confrontation, or if they demand a right to veto the transition, or if they will not guarantee a stable democratic regime in the future, that is, if they deny the right to use social pressure or to utilize, during the democratic period, armed confrontation as a means of exerting pressure to cause the newly born democracy to adopt policies which are more favorable to the Communist Party, what is the Communist Party's stand?

Answer: Your question includes many points and we want to answer them specifically. It is obvious that the dialogue that we propose must be based on the people's interests and it must also take into account the interests of those military personnel who are truly patriotic. What you call denying the right to a political victory cannot be viewed as a problem from these individuals. Pinochet and his policy will be the vanquished. A policy which is not advocated by all the military but by the fascist military and the nonmilitary fascists, the representatives of large financial capital, economic groups, the transnational capital. The latter are, the communist answer states, the true bosses, Pinochet's judges, the civilian generals of the coup who are as guilty or more guilty than the military who have submitted to them. Indeed, the military institutions are headed for an overwhelming political defeat as long as they continue to accept playing the role of watchdogs for an unjust regime which has privileges that are unbearable for the people. The Chilean Communist Party adds: Concerning the right of the Armed Forces to veto democracy, it must be clearly stated that this is, purely and simply, in itself the negation of democracy. Pinochet has included this in his constitution and this is one of the reasons for its lack of objectivity. Our concept of a military doctrine is that the military are and must be full-fledged citizens. Like all Chileans, they must participate in the democratic power which can only arise from exercising popular sovereignty and they must be subordinate to that power. The idea of a right to veto by the military has as much basis as the right to veto by the physicians, the engineers, or the priests. A different matter is when, on a number of issues, the government and the democratic institutions consider contributions by the military. That is possible and necessary. In our conference we have said that we do not stick to the idea of replacing the fascist dictatorship by a government entirely formed by civilians. If the conditions for a popular, antifascist, anti-imperialist, and anti-oligarchic government, without exclusions and with the participation of the military, are given tomorrow, then we will vote for such a government. Then the Communist answer adds: The question of the guarantees for a future stable democratic regime is then posed. Can the current Armed Forces deny or grant such guarantees? Those guarantees rest, in the first place, with the working class and the people, with their organization and their active participation in democratic life, and also with the active participation in democratic life of democratized Armed

Forces devoid of seditious and fascist individuals. The agreements must center on the fact that never again will there be another 11 September. And the Armed Forces and the political parties who have engaged in the coup must commit themselves to this.

Regarding the matter of thwarting attempts to increase social pressure, we wonder with what right, in whose name, and defending what interests the Armed Forces could tie the hands of the workers and prevent them from using social pressure. We have lived like this for 11 years, with Pinochet at the head of the country, and the obvious results are misery and hunger. We will always defend the highest interests of the workers and will only accept a social agreement between the workers and the democratic government in order to support or defend those interests, or for the sake of the survival of a real democratic regime.

Regarding the use, during the democracy, of armed confrontation as a tool to exert social pressure in order to try and adjust the emerging democracy to adopt strategic guidelines more acceptable to the Communist Party, as is stated in the question, we must point out that this is a biased and absurd idea. The people, in no part of the world, have ever resorted to armed violence for any other purpose than to counteract the reactionary violence unleashed against them. Chile has had the same experience and the fact that we have decided that it is necessary to resort to all types of struggle to oust Pinochet is because the dictatorship's practice has compelled us to do so. We do not impose violence. It depends on the attitude of the fascist regime and will depend, to a great extent, on the role which the Armed Forces will play in the future.

But in a democratic regime, where the Communist Party enjoys the same rights and duties of other political parties, it is obvious that the types of struggle adopted will be those most appropriate at that time.

The next question: The Communist Party maintains that there must be no confrontation between civilians and military. Now then, how does the Communist Party define which military, the current Armed Forces as a whole, the current Armed Forces excluding the commanders in chief, etc?

The Communist Party then answers: It is obvious that we are not referring to the current military men as a whole, although it is true that Pinochet wears a uniform. Our position regarding Pinochet is final, and total, not because he is a military man, but because he is a dictator and a fascist. We also maintain this position regarding Jarpa, Rodriguez, and others who are not military, but who are fascists.

The current Armed Forces must undergo deep changes. We have already stated that. [Words indistinct] its people have cruelly suffered due to the imposition of the national security doctrine as the official doctrine. This must end, and together with it the National Intelligence Center [CNI]. All these officers, non-commissioned officers, and corporals of this repressive organ must retire, since this is only the interest of the people and the Armed Forces itself.

The Communist Party adds: The definition and adoption of a doctrine of a democratic national defense is an essential feature of the proper relationship between civilians and the military and of a consequent democratization of the military institutions. The fascist spokesmen classify our demands for democratization as an elimination of rank, discipline, professionalism, and so on. This is a petty caricature or, better said, a fool's trap. Democracy has nothing to do with such things. Democracy has to do with the arms race, with economic discrimination, like the payment of bonds, with social or ideological discrimination, sponsorships. It has to do with the right of the military to have their own political ideas and with their right to participate in the political life without detriment to military rank and duties. Democracy, the Communist Party's answer adds, has to consider the proper relationship of military institutes with the organs of the democratic power in a two-fold sense of taking into account the military's contribution to the national objectives and of ensuring democratic control and the proper functioning of military institutions. Each force must be entitled to resort to the civilian bodies, like Congress, to raise claims or to appeal recriminations which they regard as being unfair. All this is part of our concept of avoiding a confrontation between the civilians and the military.

The next question is: If it is understood that there should not be a confrontation between the civilians and the military, in turn, it is to be understood that these military personnel will be members of a purged Armed Forces. How must this purge be considered?

Answer: It can only be understood in the precise manner in which we have described it. The torturers, the murderers, and the fascists do not deserve and must not be part of the Chilean Armed Forces. In our opinion, this purge is the common responsibility of the democratic forces and of the military themselves in safeguarding national interests and the military institutions. The Chilean Communist Party states that an event that has taken place recently will illustrate this need. The publication, along with the magazine HOY, of the book written by journalist Alberto Gamboa, who gives a detailed account of his experience in the concentration camps, has led to a misdemeanor suit filed by Minister Carabal, who is one of the top leaders of the conspiracy in defense of the honor of the Armed Forces. What is affecting the honor of the Armed Forces? That an account of true events is given? And there is much more than what has been published in Chile, because the perpetrators of those robberies [word indistinct] in their ranks or outside their ranks continue exercising power, as is the case with Contreras, for example. The lawsuit against the magazine HOY can turn into a tremendous boomerang against those who filed it because there are thousands of survivors who would provide terrifying histories on the brutality that has taken place in recent years. If the honor of the military is to be restored, those who have trampled on their military uniforms can no longer wear them.

The next question asks if the Communist Party believes that this purge will be a natural process that will be carried out with the retirement of officers or if it believes in the need for a forced purge that must be

imposed. If the Communist Party were to believe in a natural purge, does it agree that the process will take more than the 5 years remaining until 1989?

The end of corruption within the military institutions, the PCCh note says, will be the result of the dictatorship's defeat. As long as Pinochet remains in power the situation not only will not improve, but it will worsen. The retirement of officers will only affect the democratic military men and only increase the percentage of fascists and the number of intransigent officers. To believe that things will be different is a mere dream. One only has to look at the Air Force.

Once the dictatorship is defeated the crimes and scandals will unravel automatically. The honest military men will not accept in their ranks those who have been involved in such disgraces. The new commanders, to be appointed by the new democratic regime, will have to decide, together with the government, what measures will be adequate to eradicate corruption from the Armed Forces. Those who deserve it will be punished, others will merely be dismissed. This cannot and must not be a process that should be delayed, since it will only bring uncertainty to honest men. Everyone is aware of their own behavior. We believe that the voluntary retirement of many commanders who have been involved with fascism, to allow room for those with whom a dialogue is possible and who are accepted by the entire civilian population, should be considered as an attitude that significantly palliates their former behavior. What Chile desires is that this process start now with Pinochet's retirement. This would be the most natural thing and will only happen as a result of the struggle.

If the Communist Party believes in a forced purge, does it believe that it entails a confrontation strategy with the Armed Forces? Does the Communist Party believe that a confrontation strategy with the Armed Forces must be regarded as a feasible path for victory? Does it believe that a confrontation can lead to success?

The PCCh note says: Let us make things clear. In the first place, what you term a forced purge is, as we have stated, the only possible kind of purge, because corruption will not end so long as fascism continues to control the commands. In the second place, we do not seek confrontation with the Armed Forces. In the third place, we will not now nor ever cease our struggle, together with our people, against fascism. During our national conference we stated that the Communist Party believes that the Armed Forces cannot be insensitive nor impervious to the deep crisis which the country is enduring, nor to the national demand that the dictator leave so that Chile may return to the democratic path. They should take into account the fact that the people are demanding a solution right now and that, as a consequence, there is a desire to reach agreements in the great anti fascist, and non fascist, civilian and military sectors. There is no possibility of reaching merely an agreement with Pinochet and his clique. It is the Armed Forces' duty to try and solve this problem; if not, they will only increase their responsibility, since they will have to provoke a confrontation between themselves and the people. Although the people,

sooner or later, will undoubtedly win, the best thing for Chile would be to avoid such a confrontation and bring about the change now and not later. This is our stance.

It is not easy to predict social changes but the people always have the last word. If the non fascists do not manage to prevent Pinochet and fascism from continuing to take advantage of the Armed Forces to maintain themselves in power, it is quite probable that those non fascists will become increasingly united in a confrontation with their own people. In this case we have no doubts that the people will be the winners and it is quite probable that many military men will contribute to their victory.

Another question posed to the Chilean Communist Party is as follows: Is the option of using popular rebellion and/or armed confrontation to be understood as part of that possibility you just mentioned?

Answer: No. The policy of a popular mass rebellion is not synonymous with armed confrontation. The policy of mass rebellion is the right of every nation not to submit itself to arbitrary and unjust regulations which are forcibly imposed upon it by developing the struggle for its rights, breaking the shackles that seek to oppress it, and resorting to all possible means, either peaceful or violent ones, which are necessary to shake off the oppression. This right, which we have defended, the note of the Chilean Communist Party says, is recognized as a legitimate right by every humanist doctrine, including the Christian doctrine, as has been recognized by political leaders and ecclesiastic authorities. Whoever seeks to question the right to rebel and its exercise should ponder whether, in a fascist regime, there is another way to gain democracy. Every time some demagogue or some ignorant person announces such a way, Pinochet takes care of him. In short, as long as the Armed Forces do not change their attitude and continue blocking the way to democracy, we will champion this right and will be consistent with it.

This is the last question posed to the Chilean Communist Party, the full text of which we are carrying. Its main topic deals with the Armed Forces and the current political situation, the alternatives for its participation in the search for a way out of the crisis, and its future in a democratic Chile.

The final question to the Chilean Communist Party is the following: The purge of the Armed Forces involves a legal problem. How is this to be understood? Who is to administer it? Against whom and under what conditions?

Answer: The end of the fascist corruption is a patriotic objective, the materialization of which demands that the fate of the missing detainees and all the crimes and shady deals of the tyranny be clarified.

Armed Forces personnel cannot recover a feeling of nationalism and democracy unless this objective is fulfilled. Soon, the Communist Party adds, it will be 10 years since General Carlos Pratts and his wife were murdered.

The individuals responsible for this nefarious crime are still in the ranks and enjoy an immunity which corrodes the Armed Forces and will corrode them as long as the problem is not faced and the proper individuals punished. In bringing up this matter, there is no feeling of vengeance, but we frankly say that if there is no justice, acts of vengeance will inevitably crop up, and nobody would have a right to condemn such acts under such circumstances.

The Chilean Communist Party concludes by stating that our opinion is that justice will have to be administered, bearing in mind those [words indistinct] authors and focusing on the worst culprits who have committed crimes typified as crimes against mankind, crimes which are clearly classified in international law, guaranteeing the full effectiveness of the defendants' rights to defend themselves and duly considering all the extenuating circumstances. Our stand was voiced during our national conference. This is indispensable, we have said, so that the country and especially the Chilean youth may learn about the degree of depravity and criminality reached by a fascist dictatorship and may, so to speak, distance themselves from this scourge.

CSO: 3348/17

## CHILE

### NATION APPROACHES LEAD IN WORLD COPPER PRODUCTION

West Berlin WOCHENBERICHT DES DEUTSCHEN INSTITUTS FUER WIRTSCHAFTSFORSCHUNG  
in German 30 Aug 84 pp 446-449

[Text] Of all the copper producing countries, Chile has been in first place since 1982, ahead of the United States and the USSR. Trends in the current year make it likely that this position will be maintained in 1984 as well. Thus in connection with the copper supply, certain regional production structures have developed today already which had not been expected until at the end of this decade.

In 1982 the United States lost its position as the greatest producer country--a position which it had held for about 100 years--mainly because of a low utilization of its mining capacities, which still hold first place worldwide. In any case, given a persistently weak copper demand and unusually high producer inventories, since 1982 the utilization of capacity in the United States has fallen by as much as a third. Incidentally, even the record Chilean production in 1983, with just under 1.3 million tons of copper, was still definitely smaller than the total output from U.S. mines in the 1970's.

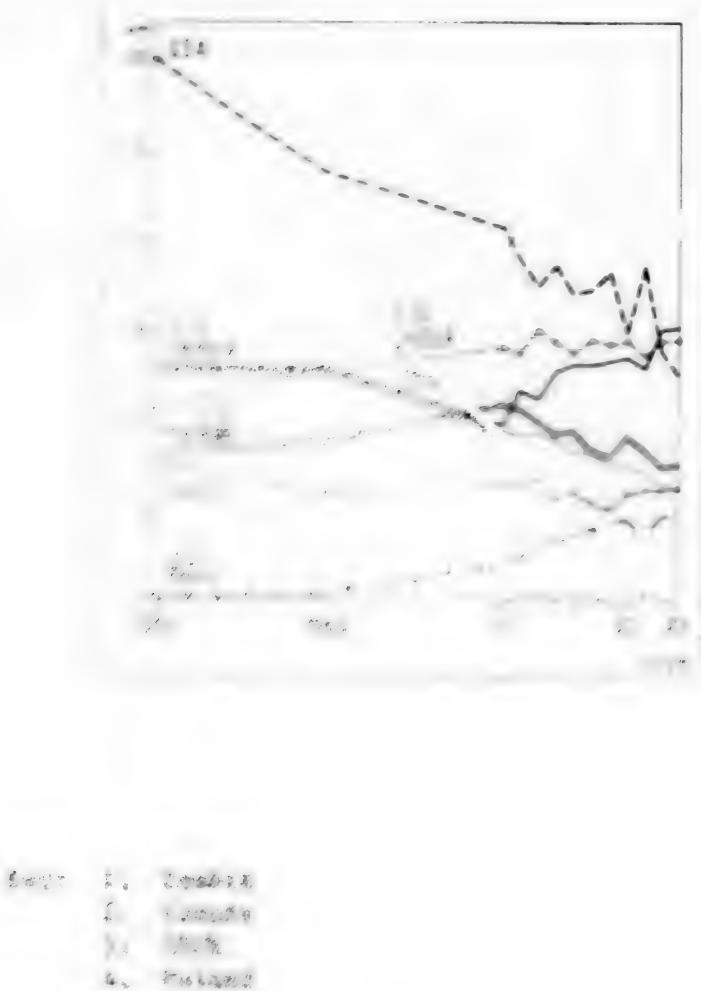
But if all the planned new projects and capital expenditures on extensions in Chile's public and private copper-ore mining were to really be carried out, then by the year 1990 an increase in production to 1.9 to 2.1 million tons could be reached. With that, Chile would be in first place worldwide in mining capacities as well. Whether it is possible to realize this scheme, which in the intermediate term would lead to substantial regional structural shifts in connection with the world's copper supply, is something which depends not only on what deposits exist but also on the financing possibilities. After all, Chile ranks as one of the highly indebted countries of the Third World, for which the financing of capital expenditures probably would entail difficulties, especially in the markedly capital-intensive sector of copper mining.

#### Mineral Reserves

This copper-rich country has a long mining tradition. Back in the last century, for almost three decades it was at the head of all producing countries. For a time it was producing up to 40 percent of the world's mined output of copper. But its development again into the world's largest

copper-mining producer towards the end of the 1980's will not restore Chile to this position, even though the country is endowed with the world's largest known copper reserves.

Countries' Shares in Copper Mining Output, 1953, 1963, and 1973 to 1983



After 10 years ago the known reserves were located in just 30 to 40 million tonnes, consisting of the most valuable industrial materials, the reserves are estimated to be 510 million tonnes. Thus, of the world's reserves (510 million tonnes), Chile has the largest share (19 percent), in front of the United States (17 percent), the USSR (11 percent), Zambia (6.7 percent), Canada and the U.K. (3.2 percent), Chile (1.3 percent), and the Philippines (with 1.2 percent).

*Source: Mineral Resources Summary 1984, Washington, D. C.*

Even higher reserve figures--188 million tons--are arrived at in a determination of potential deposits initially begun in the mid-1970's by Chilean government agencies. These figures would correspond to approximately 31 percent of the world's reserves. By all means the numbers can be looked upon as realistic. Since the area of Chile has not been explored up to now with the same intensity as has the United States, Canada, or the USSR, even the discovery of further deposits cannot be ruled out in the future.

As a rule, earlier determinations of reserves had been made by foreign companies once active in Chilean copper mining. Since in the countries of origin often not only the output but also the reserves were subject to taxation, there was reason to identify larger potential reserves only when loan capital was to be raised. But given the high self-financing ratio of those days, this was the case relatively seldom.

#### Locational Advantages

Today the special competitive advantages of Chile lie above all in the concentrating of almost two thirds of its total known reserves in two large deposits which have been worked since as long as 1906 (Chuquicamata) and 1915 (El Teniente). Up to 1983, over 25 million tons of copper had been extracted from these two deposits. Nevertheless the remaining reserves still amount to several times the output already effected. To clarify the orders of magnitude involved: According to the latest Chilean data the present reserves of El Teniente amount to 75 million tons, those of Chuquicamata to 80 million tons. Thus the reserves of these two deposits alone exceed the total combined copper reserves of the United States and the USSR.

Other locational advantages, which apply also to most of the other Chilean deposits, result from their nearness to the water reservoirs of the Andes and to the deep-water ports of the Pacific. Although some smaller mining operations are dependent on the use of salt water for their copper-ore dressing, nevertheless generally speaking there are no water problems such as in copper mining in Kazakhstan and in the southwestern United States, or even transport problems such as with the deposits of the African copper zone. The deposits situated in central Chile above all profit from an ample water supply, low-cost hydroelectric power, a good infrastructure, and not least a labor force with a high level of training.

The locational advantages mentioned are reflected above all in the fact that Chile is a member of that group of countries with by far the most favorable production costs for the mining of copper. This becomes obvious in a comparison with the United States, where in 1982 the production costs were at least twice as high as those of Chile. It is true that exchange-rate influences also played a role here.

#### Linked Production

Linked products obtained in the extraction of copper, such as gold, silver, metals of the platinum group, molybdenum, cobalt, rhenium, selenium, and

tellurium have gained in importance, especially in connection with the 1973/74 oil crisis, when precious-metal prices rose sharply while copper quotations were showing a falling trend. In countries of the Western World, the share of proceeds held by linked products in the total proceeds (copper and linked products) increased from an average of 8 percent (1973) to just under 29 percent (1980). In 1982 this fraction still amounted to almost a fifth.

**Mining Output of Copper by Important Producer Countries 1953, 1963, 1973, and 1983<sup>1)</sup> in 1,000 tons**

	1953	1963	1973	1983 <sup>1)</sup>	Veränderungen (1) in vH 1983/1982	Anteile 1983 (2) in vH
USSR (3)	361,1	601,1	735,4	1257,1	+ 1,3	15,2
USA (4)	303,0	600,0	1060,0	1200,0	+ 1,7	14,5
Kanada (5)	840,5	1100,6	1558,5	1045,7	- 8,2	12,6
Polen (6)	229,7	410,6	823,9	625,0	+ 3,1	7,5
Spanien (7)	372,7	588,7	706,6	515,2	- 4,6	6,2
Italien (8)	214,7	271,3	488,5	502,2	- 0,1	6,0
Philippines (9)	4,3	13,0	152,0	388,0	+ 3,2	4,7
Australien (10)	35,4	180,1	202,7	322,2	- 9,5	3,9
Republik Südafrika (11)	12,7	63,7	221,2	271,4	- 7,1	3,3
Mexiko (12)	37,1	114,8	220,3	264,2	+ 7,7	3,2
Zusammen (13)	36,1	57,0	175,8	211,8	+ 2,3	2,5
andere Länder (14)	58,5	55,1	80,5	208,2	-12,9	2,5
Welt insgesamt (15)	2505,8	4056,0	6425,4	6811,0	- 1,5	82,1
	295,0	568,3	1088,1	1481,4	+ 1,7	17,9
	2800,8	4624,3	7513,5	8292,4	+ 0,9	100,0

<sup>1)</sup> Teilweise vorläufige und geschätzte Zahlen.(14)

(15)Quelle: Metallgesellschaft, Frankfurt/M. Metallstatistik, verschiedene Jahrgänge.

Key:

1. Changes in percent	2. 1983 shares in percent
3. USSR	4. Canada
5. Zambia	6. Poland
7. Philippines	8. Australia
9. Republic of South Africa	10. Mexico
11. Together	
12. Other countries	
13. World total	
14. <sup>1)</sup> In some cases, preliminary and estimated figures	
15. Source: Metallgesellschaft, Frankfurt/M, "Metal Statistics," various years	

**Production Costs for Copper Mining in Various Countries Between 1976 and 1982  
in U.S. \$/lb.**

	1976	1977	1978	1979	1980	1981	1982
Indonesia	0,37	0,40	0,40	0,40	0,40	0,66	0,46 <sup>1)</sup>
Canada (1)	0,45	0,50	0,55	0,45	0,55	0,70	0,75
Mexico (2)	0,50	0,52	0,53	0,57	0,62	0,72	0,90
Papua Neu-Guinea (3)	0,57	0,57	0,60	0,80	1,00	1,12	1,06
Peru	0,57	0,56	0,50	0,57	0,65	0,82	1,00
Philippines (5)	0,50	0,50	0,50	0,65	0,72	0,75	0,77
Zambia (6)	0,62	0,60	0,62	0,61	0,75	0,88	0,89
USA	0,58	0,74	0,77	0,75	0,88	0,93	1,02
Chile	0,54	0,59	0,53	0,80	0,85	0,85	0,90
Durchschnittlich (7)	0,57	0,57	0,58	0,64	0,74	0,83	0,90
LME-Notierung (8)	0,64	0,59	0,62	0,90	0,99	0,79	0,67
U.S.-Produzentenpreis (9)	0,70	0,67	0,67	0,93	1,03	0,85	0,74

huquicamata: 0,37 (553000 t); El Teniente: 0,46 (336000 t); El Salvador: 0,63 (90000 t); Andina: 0,43 (540000 t).

(10) Quelle: A. Sutulov, Chilean Copper Outlook 1984/85, Santiago de Chile, 1984.

**Key:**

1. Indonesia
2. Canada
3. Mexico
4. Papua New Guinea
5. Philippines
6. Zambia
7. Average
8. LME [expansion unknown] quotation
9. U. S. producer price
10. Source:

Since in comparison to ores of other deposits the Chilean copper ores contain relatively small amounts of precious metals, but more molybdenum--on the basis of this linked production Chile is the second-largest molybdenum producer in the world--the relative contribution of proceeds from linked production has always been smaller here than in other countries. Presumably, excess capacities already existing in connection with molybdenum production will increase even more through production expansions in Chilean copper mining. The molybdenum market is likely to remain a buyers' market for years to come, so Chile also cannot expect--as in the late 1970's--increasing revenues from linked production.

## Expansion Plans

According to the present plans, from 1984 to 1990 the output capacities are to be enlarged by a good two thirds--in fact, from 1.26 to 2.1 million tons. This corresponds to an annual growth of just under 9 percent annually. In such a case the share held by state-owned enterprises will be about 65 percent, compared to as much as 82 percent in 1983. In Chilean copper mining, the establishing of new capacities is earmarked more for the private sector, the expansion of existing capacities more for the governmental sector. In the establishing of new capacities, great importance is quite consciously being attached to the participation of foreign capital, since the extremely capital-intensive raw-material sector could not be developed from the country's own economic resources alone. So consequently the legislation on mining and capital expenditures has been liberalized. Meanwhile, in addition to mining companies from the United States and Canada, similar companies from Great Britain, Australia, the Netherlands, and the FRG are also active in Chile.

## Consequences for the World Copper Market

The sort of massive changes on the supply side that the Chilean activities represent will lead to the closing down of numerous mines in other countries, since they will no longer be competitive compared to copper mining in Chile with its low-cost production. This process is likely to be accelerated even more by the weakness in demand on the copper market which presumably will continue in the future as well. Hitherto, technical innovations such as the development of the glass fiber cable or the aluminum and plastic condenser have led to a decrease in the demand for copper. Since new areas of application for copper are not in sight, the behavior of copper demand will continue to be marked by the traditional consumption structures. Despite a growing demand due to economic trends, the previous high point in consumption of 1979 will not be reached again until in the mid-1980's. But in connection with the slowdown expected for 1985, it is likely that also the rise in copper consumption will slacken again as well. Therefore, relative to the period of time up to 1990 the average annual increase in copper consumption is not likely to be greater than 2 percent. Thus in view of this weak demand trend in comparison to the 1970's, outside Chile all activities in connection with supply are very restrained. Quite generally speaking, since back in the 1970's the metals--including the precious metals--have no longer been regarded as promising investment opportunities for the long term. The copper price, which at present is hovering between 0.60 and 0.70 \$/lb. would have to be at least 1.30 to 1.50 \$/lb. in order to permit even just the most productive deposits to be worth mining in other countries. Therefore on a global basis, an additional primary production amounting to scarcely more than 1.5 million tons is expected for the end of the 1980's. Half of this would be accounted for already by the capacity expansions in Chile's copper mining sector.

Based on its large potential deposits and its favorable production conditions, Chile will probably be able to realize its plans. The relatively small extraction costs involved will keep the economic risks

within bounds. Therefore it should be possible to solve financing problems as well, especially since financially powerful international companies are increasingly becoming involved in Chilean copper mining. In the foreseeable future Chile could enlarge even more its leading role in connection with the world's copper supply.

**Expected Developments in Copper Mining Output in Chile from 1984 to 1990  
in 1,000 tons (metal content)**

	1984	1985	1986	1987	1988	1989	1990
Codelco-Chile	(1015)	(1037)	(1112)	(1257)	(1367)	(1367)	(1360)
Chuquicamata	555	535	550	700	820	870	885
El Teniente	280	310	365	370	370	320	300
El Salvador	88	92	92	92	92	92	92
Andina	92	100	105	95	85	85	83
Enami	80	80	80	80	80	80	80
Disputada	52	52	52	140	195	200	200
Mantos Blancos	60	70	80	80	80	80	80
Pudahuel	16	16	16	16	16	16	16
La Cascada	20	20	20	20	20	20	-
El Indio	7	7	7	7	7	-	-
La Escondida	-	-	-	-	100	150	200
Erro Colorado	-	-	30	50	50	50	50
Juebrada Blanca	-	-	-	50	100	100	100
Andere (1)	10	15	15	15	15	15	15
Insgesamt (2)	1260	1297	1412	1715	2030	2078	2101
Erwartete Mindestforderung (3)	1260	1272	1312	1325	1560	1780	1800

(4)

Quelle: A. Sutulov, Chilean Cooper Outlook 1984/1990, Santiago de Chile, 1984.

**Key:**

1. Others
2. Total
3. Expected minimum output
4. Source:

12114  
CSO: 3620/445

CHILE

BRIEFS

ARGENTINE JOURNALIST ARRESTED--Argentine journalist Adrian Goreliak, who was arrested by Carabineros yesterday at noon, has been placed at the disposal of the Interior Ministry. Goreliak, who works for the Argentine magazine LA QUINCENA, was arrested in Plaza Almagro by Carabineros for distributing pamphlets containing material violating the state security law. [passage indistinct] At the time of his arrest, Goreliak was with his Chilean colleague (Maria Adela Penuar). An appeal in favor of Goreliak was submitted yesterday to the Appellate Court. Goreliak is at present under arrest in the Santiago 1st Police Precinct building. [Text] [Santiago Domestic Service in Spanish 1100 GMT 4 Oct 84 PY]

CSO: 3348/22

COSTA RICA

CONTADORA VIEWED AS DOOMED TO FAILURE SINCE BEGINNING

San Jose LA NACION INTERNACIONAL in Spanish 6-12 Sep 84 p 11

[Article by Bernd Niehaus: "Contadora Died; Now What?"]

[Text] Contadora has come to an end! It is at an "impasse"! Contadora is worn out! Timidly, without wanting to recognize it but forced by the evidence, the Costa Rican Government has finally reached a conclusion about something that was predicted from the beginning: the Contadora process is dying a failure.

The efforts have had no other success than the announcement of a number of general principles which have not been realized facing the resounding refusal of the Sandinist totalitarian regime to limit the arms race and permit its people to go to the polls in a truly free election.

For months and months, we have repeated constructively, objectively and patriotically that the actions of the so-called Contadora Group were condemned to failure for many reasons. The main causes are that it is not an international legal entity and, subsequently, is unable to carry out effective action and there is no real desire for democratic achievements by some of its "subject" member states as well as--and especially--one of its "object" states, Nicaragua.

In spite of the arguments about the impossibility of a nucleus of four countries to reach concrete solutions in the regional crisis and the legal and political problem of not using the existing inter-American system, basis of Costa Rica's international security, the government insisted on its obstinate policy of unlimited support for the Contadora Group, totally ignoring these objections. This support soon became an obsession and reached such extremes that President Luis Alberto Monge himself called the effort of the four countries the "only" alternative for peace in the region during his tour through Europe last June. "Either Contadora or war" was the official motto of the "truth mission."

This nearsighted foreign policy, without any question, has serious consequences for the Central American conflict. This mistake has very negative results--expressed but not heard--for the security and future itself of Costa Rica. Since this is so important, it is necessary to repeatedly point them out despite the risk that some people, limited by their own horizons, will call this a political attitude.

1. The Costa Rican Government has greatly contributed to creating international expectations about Contadora by supporting a regional foreign policy, exclusive of other means of solution. This policy is aimed only at support for these unsuccessful efforts, stating that only through that group can peace be achieved. The failure of the Contadora Group means international consequences of unpredictable dimension. Such a mistaken foreign policy and such an irresponsible statement have unquestionably placed us several steps closer to the feared war.
2. Valuable time has been lost in the search for real solutions to the conflict. The only effective result we can really attribute to Contadora is the consolidation of the Marxist-Leninist regime in Managua through the passage of time.
3. The foreign policy of the government, based on constant scorn for the OAS, has divided this stricken continental institution even more. Instead of fighting for a strengthened inter-American system which guarantees our own security and existence as a free and democratic state, it has hurt and weakened the organization as much as possible in contradiction to the vital interests of Costa Rica.
4. Costa Rica promoted the participation of Contadora's corpse at the next meeting of foreign ministers of the member countries of the EEC and the Central American foreign ministers. This complicates and weakens such an important conference, unnecessarily misplacing the goals that we must try to achieve so urgently through clearly drawn lines that lead us to what we need: European political support for the regional democracies, thus strengthening the democratic system, only real solution to the conflict; and European economic support to the region for that democratic development.

#### Contadora Died: Now What?

Because of existing international expectations, it would be inappropriate to suddenly bury it. The mourning process must be carried out little by little through the gradual adoption of new means or instruments of effective solution, trying--at least at the beginning--to find a way to coordinate international action.

There is only one instrument that we should never have abandoned which--given its legal base and its broad institutionality--can really and effectively serve to achieve democratization of the Central American isthmus. That instrument is the OAS.

This option is actually an international obligation assumed by the member states and consecrated in Article 23 of the Charter and in Article 2 of the Inter-American Treaty of Reciprocal Assistance. They state:

"All international conflicts that arise among the American states will be submitted to the peaceful procedures indicated in this Charter..." (OAS Charter, Chapter V, Article 23). Also "...the contracting parties promise to submit every conflict that arises among them to the methods of peaceful solution and

try to resolve them among themselves through the existing procedures in the inter-American system..." (Inter-American Treaty of Reciprocal Assistance, Article 2).

Based on the above commitment, the American states in search for peaceful solutions to the conflicts that arise among them must resort to the means that the system of continental organization provides. There are many procedures and measures that can be adopted through the different organs of the system--General Assembly, Meeting of Consultation, Permanent Council, Inter-American Commission for Peaceful Solutions, etc.--ranging from the simplest (direct negotiation, withdrawal of mission chiefs) to the most complex (legal procedures, use of armed force).

The solution to the current Central American conflict must be found in that broad gamut of possibilities of the hemispheric system. Since the four countries of the Contadora Group are members of the OAS, their action can easily be moved to that system. Every resolution and action must fall within the spirit of the still open 17th Meeting of Consultation of the American Foreign Ministers. In its historic resolution of 23 June 1979, it indicated as an unavoidable commitment for the current Nicaraguan Government:

"Holding free elections as soon as possible that lead to the establishment of a democratic government that guarantees peace, freedom and justice."

7717  
CSO: 3248/794

## BACKGROUND INFORMATION ON NEW 'ECOLOGY PARTY'

San Jose LA NACION in Spanish 20 Aug 84 p 1B

[Article by Ignacio Santos P.]

[Excerpts] Under a green and azure banner (colors that represent the forest and sky, respectively) a group of Costa Ricans has proposed "to watch over the conservation of the natural heritage, the patrimony of present and future generations" and advocate "development without destruction."

The means to achieve these objectives will be the Costa Rican Ecology Party that will be registered at the Civil Register within a few weeks, according to the president of its National Executive Committee, geographer Alexander Bonilla Duran.

Bonilla Duran stated: "In our country the idea of a 'green party'--as they are known in Europe--is several years old. People involved in the problem of environmental protection had presented it. As always happens, everyone talks and talks but nothing is done. We took the step: a political step."

The group which will present candidates for governor and deputy in the next elections will be the first of this type on the American continent. According to the founders, this experiment in Costa Rica could be the beginning of similar projects in the rest of Latin America where permitted by the reigning political systems.

### Priorities

The founders of the group feel that the most pressing ecological problem in the country is the worsening deforestation. In spite of all the existing laws, the destruction of forests continues. They also call the indiscriminate use of pesticides that, according to Bonilla Duran, "are poisoning us" very serious.

In addition, he feels that "the number-one environmental problem at the international level is war. If peace is not achieved in the region, forestry conservation programs and pesticide control will mean nothing."

He added that, despite the obstacles, "we have the right and duty to fight for peace."

To propose solutions to the social, economic and political crisis, the "greens" will start from an ecological base and advocate "an interrelationship between people and natural resources to move the country forward."

#### Ecological Line

The new party, according to its president, "is eminently democratic and does not have any tie with the traditional political groups or with members of one extreme or the other."

"We plan to maintain an independent ecological line, but always defending the democratic and civilian tradition of Costa Rica. This is an organization with plans that go beyond the year 2000."

Bonilla Duran added: "We do not agree with any ideology that attacks the Costa Rican democratic system based on our constitutional principles."

Concerning the stand they will take if they reach the Legislative Assembly, the leader revealed they will try to legislate to achieve "development without destruction. We will never oppose the progress of Costa Rica but we are going to fight all those projects that do not take the conservation of natural resources into account."

#### Traditional Parties

Bonilla Duran revealed that, in talks with top leaders of National Liberation and Social Christian Unity, he could verify that "no traditional political party has the conservation of natural resources as its priority. The ecological concept is not even included in government programs."

He stated that there are interests in those groups that are tied, in general, "to the economic."

As an example, he gave the case of the reduction of the Palo Verde National Park. "This was proposed during the Carazo administration and National Liberation fought the project. Now that the latter is in power, it achieves this reduction." Since there is no ecological base, groups change but the looting of natural resources continues.

For these reasons, the "greens" want to become the "controlling organism" of the environmental and ecological policies of the traditional groups. However, "this struggle only has meaning if it takes place in the Legislative Assembly."

Bonilla Duran feels that the "potential voters" will be the youths, women and students. He added that "the ecological struggle is not only for us but for those who come, for the future generations."

"Facing the discredit of the traditional parties, the people are looking for something new. We believe we can be the option because our objective is survival," concluded the president of the first "green party" on our continent.

DOMINICAN REPUBLIC

COMMUNIST LEADER PROTESTS POLICE PERSECUTION

Santo Domingo LISTIN DIARIO in Spanish 2 Sep 84 p 7

[Passages enclosed in slantlines printed in boldface]

[Text] Dr Salvador Jorge Blanco, President of the Republic  
Your Office, National Palace

Citizen President:

The public is already well aware of your government's efforts, through the security agencies and the country's military authorities, to arrest me and Comrade Julio de Pena Valdez, secretary general of the General Central Organization of Workers (CGT).

My house was raided in search of me, and it is still under permanent surveillance by security agents.

As a consequence of the decision to capture us at all costs, my wife is constantly being spied on and followed by plainclothes police officers.

Other party members are also being harrassed under other police operations to discover my whereabouts.

Our party's local and other places we frequent are under surveillance by intelligence agencies, and the order to persecute us has been reinforced by the interest you personally expressed in that regard to some military officials, especially the present chief of staff of the Army, Gen Ernesto Cruz Brea.

The peace of mind of my family, friends and comrades has been plainly damaged.

In view of these circumstances, our party has decided to publicly denounce such actions, and I personally consider this an opportune time to express some thoughts on the matter in this letter.

During your administration, arrests and persecution for political reasons have once again taken place, by all accounts illegible [as published], without proper legal grounds.

On several occasions I myself have been the victim of this attitude on the part of the government, and in no case did any arrest take place that could be accompanied by a formal accusation of a crime.

The fear of popular protests that your government's own economic policy has engendered is making not only these government actions but also the continued constitutional violations they entail, a dangerous and disturbing routine.

Several distinguished jurists of the country, including our common friend Dr Jottin Cury, have rightly pointed out that there is no reason simply to accept these illegal detentions resignedly.

Because these opinions seem very appropriate to me, and because I cherish the freedoms we have won and consider it only just that I be allowed to exercise these freedoms and to have my civil rights respected, I have found it necessary to evade this arbitrary and illegal persecution.

We have defended and will continue to defend our right to engage in open and legal political activity. We made an outstanding contribution to paving the way toward legalizing the left; we have exercised the political rights we won irreproachably and honestly; and we will continue to fight for those rights, which are an inseparable part of democracy in the Dominican Republic, today so seriously threatened.

But this conduct and these profound convictions will not cause us to submit easily to abuse and arbitrariness; we will not expose ourselves systematically to maltreatment or to the suppression of liberty, which should be reserved exclusively for wrongdoers and criminals or for those who violate the Constitution.

I have political responsibilities that cannot be met in jail.

I have every right to implement the philosophy of our party and of the Dominican Leftist Front, under very tense circumstances such as the present, outside of the prison where the government would keep us in its zeal to inhibit our efforts.

If it comes down to a question of personal merit in the struggle for liberty, I must say that our morals and those of our arrested comrades are much higher than those of many of your collaborators, and present a contrast to the repressive tradition of those who are now persecuting and arresting us.

For these reasons we would like to inform you that on this occasion we intend to do everything possible to thwart the efforts of your government and your military collaborators to arrest us. Given the characteristics of the military and police officers in charge of this task, this effort poses a greater risk than does imprisonment under the present circumstances.

As chief of state, you are fully aware of the individual characteristics of certain persons charged with directing and executing the special order to persecute me and Julio de Pena Valdez.

As a political leader and a former prominent defender of human rights in our recent past, you are not unaware of the links between some of these people and the heinous crimes that wrested from the world of the living such distinguished national treasures as Orlando Martinez and Amin Abel.

These persons have taken on even more importance, unjustifiably, during your administration.

That is why I refer to risks greater than mere imprisonment, without this affecting my serenity and my political conduct pursuant to civilized norms.

I have information that in those aggressive circles there is a yearning for the past, and sinister plans are being concocted against us. Without wasting time, I make a public warning to you in a letter, in your dual capacity as president and commander-in-chief of the Armed Forces.

It is not a question of fear, although it is said that /"fear is free,"/ it can be overcome. When natural fear arises, it stimulates the resources of the conscience and loyalty to our cause, which have led me to assume this revolutionary role, involving persecution, jail, exile and even death, accompanied by a firm resolve not to back down or vacillate or give in to intimidation.

I am firmly convinced that situations such as this one and plans of this nature should be aired in public without secrecy, so that all responsibilities and possible political costs can be defined ahead of time in the public eye.

That is our best defense.

And so that there can be no room for any capricious interpretation of our attitude which might favor the baser purposes we have indicated, we would like to explain the following:

We have decided to evade persecution at this time, but not to resist any arrest that may be imminent or use any aggressive means against the police or military forces employed in this ignoble mission.

We are not armed, nor do we plan to rebel with similar means. This is not the time for armed insurgency or for renouncing legal means of struggling or other forms of political combat.

I am the leader of a party whose legality is upheld by the current Constitution and by a law passed by the National Congress. We are not going to give up that status voluntarily. We will even fight under conditions of imprisonment, persecution and open activity, against all government actions that threaten those conquered rights.

We are trying to thwart an objective that is being implemented in a clearly unjust and illegal persecution, as evidenced by the case of the irregular arrest and release of Comrade Jose Israel Cuello. It is impossible to enforce well-grounded legal charges against the leaders of the Dominican Communist Party (PCD) and other organizations of the left.

We are witnessing a zeal for persecution and for totally vicious arrests. In my case, such persecution has been well-planned. And under these circumstances, I am not willing to contribute voluntarily to the arbitrary goal of those who intend to immobilize me, to cut me off completely from the country's social and political life during a time of high tension, a time when the government is adding to the wave of price increases to which it is subjecting the people, another repressive wave against those of us who defend their right to protest and their struggle for a better life.

Because I believe firmly, as did Tzola Dragoicheva, the distinguished heroine of the Bulgarian anti-fascist resistance, that man /"was born to be free, to master and create the world as he sees fit,"/ I am writing you with this attitude and in these terms. I demand, Mr President, that you put an end to this political persecution against me, against Julio de Pena Valdez, and against all the leaders of the left and the popular organizations.

Sincerely,

Narciso Isa Conde

8926  
CSO: 3248/795

OPERATING LOSSES REPORTED FOR NUTMEG, MACE EXPORTS

Kingston THE DAILY GLEANER in English 19 Sep 84 p 7

[Text]

ST. GEORGE'S, Sept. 18, (CANA)

The Grenada Co-operative Nutmeg Association, feeling the effects of unfavourable world market conditions, recorded a near half million dollar (1 E.C. dollar ; 37 cents U.S) operating deficit during the six-month period ending December 31, last year.

A statement from the statutory body, through which all nutmegs and mace must be exported, showed an operating loss of 404,363 dollars, but other miscellaneous income reduced the overall trading deficit to 334,966 dollars.

In its last good year, 1978, the Association had a trading surplus of four million dollars. But since then, there has been a steady decline in the Association's fortunes.

However, the 1983 performance was an improvement on 1982 when the operating loss was 653,113 dollars. It reflects greater sales last year when compared with 1982 but the improvement was not as great as it might have been because of unfavourable world market conditions.

The average price of nutmegs on the world market fell last year to 1.51 dollars per pound compared with the 1982 figure of 1.55 per pound. In 1978, the average price was 2.35 dollars per pound.

Sales of mace in the latter half of 1983 were less than in the same period in 1982, but contrary to the experience with nutmegs, world market prices for first quality mace have increased steadily since 1978 and increased prices last year compensated for the fall off in export weights.

CSO: 3298/019

GUATEMALA

GUERRILLAS SURRENDER UNDER AMNESTY LAW

Guatemala City EL GRAFICO in Spanish 21 Jul 84 p 10

[Article by Carlos Sosa Espino]

[Text] Nine persons who for a long time fought in the ranks of the EGP [People's Guerrilla Army] and FAR [Rebel Armed Forces], in the "Feliciano Argueta Rojas" and "Tecun Uman" Fronts, surrendered in Zone 3, located in this department capital, to avail themselves of the amnesty decreed by the government.

The zone commander, Col Victor Augusto Vasquez, while turning them over to their relatives this very day, urged that "for the good of your families and even of the fatherland, you should work in your respective communities without infringement on your security." Later, as his guarantee, he turned over in a sealed envelope the decree, to which the local authorities had subscribed.

The group includes three commanders identified as "Castaneda," "Elizardo," and "Juarez," who commanded an average of 150 men deployed in the interior of the department. They sought shelter in Quiche and Solola Departments, where they hid in the mountains in separate groups so as to not be discovered by the security forces.

This group also includes two combatants and four collaborators, who had different jobs assigned to them, such as acting as look-outs in areas that were to be attacked, and obtaining food and medicine for their comrades.

When they were surrendering their equipment, they also supplied information to locate boxes in which more weapons are kept. They declared that they did this convinced that they "could not understand the reasons for the fighting, and that their leaders had deceived them by promising many things which were never carried out and that, on the contrary, they had to run constant risks."

Some of the relatives also indicated to reporters that "they had given up their relatives as disappeared [desaparecidos] and had carried out legal procedures to find them which never got anywhere, so they lived fearful of what might have happened to them."

Before the press, "Commander Juarez" took a U.S.-manufactured M-16 rifle, and in a matter of seconds proceeded to dismantle and assemble it again, declaring that just as he knows this type of weapon, he also knows others, and that he was trained to make bombs with which they attacked the army.

CSO: 3248/732

MEXICO

CHURCH OFFICIAL CITES VATICAN LIBERATION THEOLOGY DOCUMENT

Mexico City EXCELSIOR in Spanish 14 Sep 84 pp 1-A, 11-A

[Article by Federico Ortiz Jr.]

[Text] There are no guerrilla priests in Mexico. There are, however, priests who sympathize with liberation theology. The church has made a call to them to dialogue and to shape their position based on the teaching on that theology issued recently by the Sacred Congregation for the Teaching of the Faith.

Jesuit Francisco Ramirez Meza, executive member of the Church Commission on Mass Media and director of the Catholic Information Office, revealed this yesterday when he provided the journalists with a complete copy of the teaching on liberation theology.

At the regular Thursday press conference, the priest explained that the teaching of the Sacred Congregation for the Teaching of the Faith has produced a lot of criticism and misinterpretation. There have been reactions for and against the teaching.

Father Ramirez emphasized some interesting aspects of the teaching.

"Uncensured borrowing from Marxist ideology and appeal to a Biblical hermeneutics dominated by rationalism are the basis of the new interpretation (of liberation) that corrupts the initial authentic commitment of the church to the poor.

"Impatience and a desire for efficacy have led certain Christians, suspicious of any other method, to seek refuge in what they call 'the Marxist analysis.'

"Their reasoning is as follows: an intolerable and explosive situation demands effective action that cannot wait. Effective action means a scientific analysis of the structural causes of poverty. Marxism has honed the instruments for such an analysis. It suffices, then, to apply them to the situation of the Third World, especially Latin America."

Application of plans of interpretation taken from Marxist philosophy to the economic, social and political reality of today can, at first glance, present some verisimilitude to the degree that the situation of certain countries

provides analogies to what Marx described and interpreted in the middle of last century. Simplifications are made based on these analogies that, by abstracting essential specific factors, impose a rigid analysis of the causes of poverty and prolong confusion.

Another emphasis of the teaching states: "The urgency of radical reforms of structures that produce poverty and constitute forms of violence cannot make us lose sight of the fact that the source of injustice lies in the heart of man. By merely appealing to the ethical nature of a person and the perpetual need for interior conversion, social changes that will truly be at the service of man will be achieved."

Father Ramirez Meza also said that the teaching issued by the Sacred Congregation for the Teaching of the Faith "does not limit, I don't think, the denunciations of the church, the priests and the bishops against injustices in any country." He pointed out: "Those denunciations are made and channelled properly."

Father Ramirez insisted that the teaching is not a ban against liberation theology. It is a warning about exaggeration in its interpretation, especially when that interpretation is based on Marxist theses.

7717  
CSO: 3248/780

MEXICO

PSUM-PRT CANDIDATES; PRI CANDIDATE SELECTION IN COAHUILA

Mexico City EXCELSIOR in Spanish 14 Sep 84 pp 4-A, 28-A

[From "Political Fronts" column by Humberto Aranda]

[Text] 34 PSUM-PRT Candidates in Mexico State

Reynaldo Rosas Dominguez, PSUM [Unified Socialist Party of Mexico] representative to the State Electoral Commission in Mexico State, reported that the coalition formed by that party and the PRT [Revolutionary Workers Party] will present candidates for deputy in the 34 local districts of the state. The PAN [National Action Party], "with all its power," did not do this.

He added that the PAN only covered 31 districts and did not present candidates in important districts like El Oro, Atlacomulco and Ixtapan de la Sal. Rosas Dominguez stated that the PAN will not be a difficult rival for the PRI [Institutional Revolutionary Party] and, given the situation of the rightist party, the leftist coalition has a chance to present itself as a viable option to broad sectors, peasants and middle classes.

The candidates of the PSUM-PRT coalition are as follows:

District 1, Toluca--Vicente Mora Rojas; 2, Toluca--Angel Albiter Barruetas; 3, Temoaya--Epifanio Silva A.; 4, Lerma--Artemio Rojas Nunez; 5, Tenango del Valle --Alfredo Cancin Victoriano; 6, Tianguistengo--Inocencio Mendiola Delgadillo; 7, Tenancingo--Narciso Gutierrez Enriquez; 8, Sultepec--Alberto Alvarez Vallejo; 9, Tejupilco--Raul Aviles Valle; 10, Valle de Bravo--Arturo Benito Gonzalez.

In district 11, Santo Tomas de los Platanos--Maria Guadalupe Reyes Medrano; 12, El Oro--Carlos Modesto Porfirio Tecle; 13, Atlacomulco--Mario de Jesus Armenta Martinez; 14, Jilotepec--Maria Ines Carlos Hernandez; 15, Ixtlahuaca--Abel Arevalo Ramirez; 16, Atizapan--Eusebio Rosas Vargas; 17, Huizquilucan--Jose Francisco Anaya Alcantara; 18, Tlalnepantla--Miguel Martinez Hernandez; 19, Cuautitlan--Jose Sanchez Rodriguez; 20, Zumpango--Maria Elena Ochoa Nunez; 21, Ecatepec--Efrain Jesus Calvo Zarco; 22, Ecatepec--Adolfo Zamora Soriano; 23, Texcoco--Jose Arturo Nunez; 24, Nezahualcoyotl--Pedro Alfonso Garcia Valdez.

For district 25, Nezahualcoyotl--Osvaldo Agustin Espinoza; 26, Nezahualcoyotl--Marcos Alvarez Perez; 27, Chalco--Jesus Hernandez Cadena; 28, Amecameca--

Leonardo Santamaria Torres; 29, Naucalpan--Mario Galicia Vargas; 30, Naucalpan--Salvador Rodriguez Zaragoza; 31, La Paz--Heriberto Serrano Gonzalez; 32, Nezahualcoyotl--Arturo Martinez Vargas; 33, Ecatepec--Sabino Dominguez Monroy; and 34, Ixtepec--Ramon Juarez Diaz.

#### Dissidence in Coahuila

In the midst of outbreaks of dissidence--some of which were violent--PRI conventions were held yesterday in 13 municipalities of Coahuila to nominate candidates of that party for mayor.

In the capital of Coahuila, the tricolor convention began at 1800 hours. Carlos de la Pena Ramos was nominated candidate for the municipal presidency of Saltillo. The convention was tarnished by some 20 youths who said they belong to the revolutionary youths. They burned a PRI flag outside the auditorium of the Normal School. They allegedly disagreed because they had not been given good seats at the convention. They announced that 700 members of the youth sector would leave that political institute.

There were also problems in Ramos Arizpe when the convention was held and nominated Ricardo Aguirre. Some 500 dissidents, supporters of Erasmo Lopez Villarreal, a railway worker who also wants to be municipal president, kidnapped the PRI delegate, Francisco Javier Nino. They revealed that they will not release him until they have a dialogue with Carlos Rivera Aceves, PRI general delegate in Coahuila.

In Muzquiz, some 50 dissidents headed by cattleman Gilberto Elguezabal forced the tricolor convention to be suspended for some hours by insulting the 250 PRI delegates who finally nominated mineworker Jaime Gonzalez Cardenas.

In Ciudad Acuna, Cuitlahuac, Cordova Miller accepted the PRI nomination in the midst of angry protests that ended with the resignation of the municipal committee of that party headed by Jorge Garza Crosby. They repudiate the candidate whom they accused of being communist, according to correspondent Ruben Davila.

7717  
CSO: 3248/780

#### INFORMAL ECONOMY CONSTITUTES LEGAL PROBLEM

Lima EL COMERCIO in Spanish 17 Sep 84 p A-10

[Text] Informality is not an economic but an essentially legal problem, maintained Hernando de Soto Polar, president of the Freedom and Democracy Institute, who defined informality as a situation of marked illegality.

In support of his assertion, he stated that the formal and informal enterprises are fully integrated in the economic field, as demonstrated by the fact that the former rely on the latter to sell their products, and the latter acquire their raw material from the former. "There, the distinction is not in the economy, but in the law," he emphasized after pointing out that jurists who do not take this into account are being unrealistic.

Hernando de Soto said that Peruvian illegality encompasses housing, transportation, and economic activities such as clandestine industry, street peddling and wholesale trade, which involves approximately 60 percent of all Peruvians.

#### Red Tape Is the Cause

As to the cause of the informality, he pointed out that it is "red tape"--the existence of multiple regulations, of useless rules, transactions and procedures which are difficult to surmount by people of limited resources.

"In the case of industry, we made a simulated registration of a factory which enabled us to determine that it took 301 days to do it, working 8 hours each day. In addition to that, we had to give out 25 bribes," he pointed out.

He said that since 1960, 20,000 legal measures are promulgated in Peru annually but, he explained, more than the excessive number of regulations, the problem is that they are enacted without resorting to any system that will ensure they will facilitate the economic activities of the people in the long run, rather than hinder them.

"Moreover, there is no system for consulting the people and the interested parties. Each legal measure constitutes a surprise to those who have no government contacts.

"It is not strange, therefore, that 60 percent of the population prefers to dispense with the protection of the state and the law," he pointed out.

### **Extralegal Regulatory Environment**

He noted that the logical reaction of the informal enterprises in Peru is to create an extralegal regulatory environment which comprises a set of rules that they defend and obviously enforce, and which often turns out to be more effective than the regulations issued by the state.

"To verify how well developed that extralegal regulatory environment is in some cases, suffice to observe how the resident of a new settlement has less to fear from an eventual dispossession by an arbitrary government than a formal citizen, to judge from the expropriation of the newspapers," he pointed out.

He observed that it is important, therefore, that when new laws are enacted in the country, they not only be inspired by the comparative legislation of other countries, but will embody the effective features of the customs and popular regulatory environment.

Thus, there will be laws that conform to the wishes and characteristics of the Peruvian people, and a reduction of the informality will be ensured.

8414  
CSO: 3348/590

PARTIAL TEXT OF GOVERNOR GENERAL'S THRONE SPEECH

Basseterre THE DEMOCRAT in English 4 Aug 84 p 6

[Throne Speech by His Excellency Governor General Sir Clement Arrindell at opening of new session of National Assembly--Part II (Part I, published 28 July, not received)]

[Text]

My Government has already successfully demonstrated that industrial development is an integral part of the overall economic diversification of the Nation. We will continue to expand our industrial promotion programme to attract more local and foreign investors into the industrial sector, thus creating more jobs in industry. Among other things, my Government will seek to:-

- (i) Expand existing industrial estates and develop new estates;
- (b) Upgrade and expand electricity, telecommunications, and other facilities to meet the needs of the growing manufacturing sector;
- (c) Improve credit facilities to provide greater financial assistance to local entrepreneurs;
- (d) Foster the development of handicraft and cottage industries;
- (e) Undertake a review of the existing fiscal incentives with the aim of improving the good investment climate we created;
- (f) Undertake a comprehensive manpower survey of available and projected manpower needs.

We have already demonstrated our commitment to tourism development. Our well co-ordinated programme in this sector has provided the type of stimulus needed to propel the economy forward. My Government will continue its initiatives in ensuring the further development of our thriving tourist industry. The necessary steps will be taken to increase the volume and diversity of tourism opportunities. Programmes will be developed to provide support services, in response to existing and projected demand, and promote necessary linkages to minimize leakage of the tourist dollar.

My Government will continue its programme of upgrading air communication, port and service facilities. We will continue to improve and upgrade our roads, telecommunications facilities and postal service facilities. The overall planning and general development of our sea and air ports will be reviewed. We will continue to expand water and

electricity services to all areas and to improve the quality of these services.

We have always insisted that the development of our human resources is the foundation of all development. My Government during our first term, implemented various programmes aimed at meeting the needs and aspirations of both the young and the elderly.

We will continue our programmes geared towards the development of our human resources. We will continue to upgrade our successful early childhood education/day care centre programme to provide greater assistance to those who need this service. Special programmes have already been drawn up to meet our goals in the further development of our primary education. These programmes will cover improvement of school facilities, training and curriculum development and special education. We will continue to develop and introduce policies and programmes to further develop our youth in the areas of secondary, technical and vocational education, to better equip them to meet the needs and challenges of the 1990's and beyond. Specifically, programmes will be developed to reflect and emphasise a proper balance between the academic and technical-vocational needs of the Nation.

The necessary plans have already been drawn up for the development of our Library and College of Higher Education. My Government will make every effort to secure the necessary finances to ensure the construction of these needed facilities.

My Government will continue to pay special attention to the delivery of health care in the Nation. We are determined to improve on our achievements accomplished during our first term. The Nation's New Health Policy will be formulated in an effort to achieve the declaration of *alma ater: "Health care for all by the year 2000"*. The programmes developed will ensure the delivery of basic primary health care, and improved and expanded maternal and child health care.

My Government will continue to adhere to the basic principle we have always adopted, that the youth of our Nation must be given every opportunity to fully participate in the growth and development of the Nation. Our commitment to the youth was fully manifested, when for the first time in our Nation's history our youth between 18 and 21 years were able to participate in the election of representatives to the National Assembly in 1984. My Government will continue to foster the involvement of our youth in all aspects of national development; in business and industry, education, health, agriculture, tourism, cultural development, community development, and constitutional development. We are committed to the mental, physical and spiritual development of our youth, and this commitment will be reflected in the programmes which we will implement to develop healthy bodies and creative and virile minds.

My Government has recognized the contribution our Senior Citizens have made to the development of our Nation. We will continue our efforts to provide for these citizens, and the Community Affairs Division has been mandated to develop necessary programmes to meet their needs.

My Government will continue its policy of periodic review of our Social Security Scheme with the aim of pro-

viding improved benefits to insured persons and their dependents. We are committed to ensure that the Scheme be fully used for the overall development of the people of our Nation.

My Government has demonstrated its commitment to improve the quality of life for all of our citizens. We have already embarked on a programme of providing subsidized housing to our lower income group, and allocated funds at the Development Bank for Housing Development for low and middle income groups. We have already formulated programmes to further develop and improve our policy on Housing Development. We will examine the possibility of restructuring the Housing Authority in the aim of increasing home-ownership and provide better opportunities for a greater proportion of our population to become involved in Housing Development.

My Government recognizes the significant role the Civil Service must play in the development of our new Nation. It has been recognized that implementation of Government's policy cannot be fully effected efficiently and effectively without the cooperation of a dedicated and professional Civil Service. My Government has already taken steps to revise the general orders governing the employment of Civil Servants, with the full involvement of Senior Civil Servants, and every effort will be made to fully implement these new regulations. We will continue our successful public service training programme at all levels of the Service. An evaluation of current salaries will be undertaken.

My Government has, in its first term in office, effected several significant measures of legal reform, including the reduction of the voting age and age of majority to 18 years; the removal of the stigma of illegitimacy and the insertion of provisions to enable a child to bear its father's name once paternity is admitted or proved; the elimination of discrimination on the grounds of sex and its enshrinement in our Constitution.

My Government is committed to the principle that legislation must keep pace with the economic and social development taking place in our Nation, and accordingly, to assist it in implementing this goal, it is proposed to establish a Law Reform Committee with a broadly-based membership comprising representatives of the legal profession and the public and such other representation as may be necessary. This Committee will assist my Government in the further identification and processing of areas of the law in need of reform, and areas of Governmental or other community activity which require regulation so that the citizens of our Nation may be better served.

My Government reaffirms its unswerving commitment to the process of regional integration. We will continue to support and promote the efforts of the OECS and CARICOM to seek the economic, social and cultural development of all of the people of our region. We fully recognize as the Caribbean Group of Experts have enunciated:

"That through integration and cooperation,  
we can together achieve a total result in  
economic development, which is greater than  
the sum of our individual efforts acting alone"

As we step further afield in the international arena, we will work for the establishment of a new international

economic order, for wider deployment and utilisation of the world's resources.

My Government will continue to subscribe to the purposes and principles of the United Nations Charter, as we seek to advance the cause of universal human rights, peace and the enhancement of the quality of human existence everywhere.

At home we have created a stable and happy environment and as we seek to preserve this tranquility, my Government calls on all citizens to give their support and cooperation to those who have been elected to serve them.

I pray that the blessings of Almighty God will rest upon your deliberations and that everything which is done in this Honourable House will be conducive to the lasting benefit and welfare of all of the people of this Nation.

CSO: 3298/001

ST CHRISTOPHER - NEVIS

BRIEFS

POLICE RADIO EQUIPMENT--The Royal St. Christopher and Nevis Police Force is getting new Radio Equipment from Britain. St. Kitts-Nevis is among six Eastern Caribbean countries which are to benefit from the gift valued at over two Million E.C. Dollars. A statement from the British High Commission in Barbados said, the equipment will greatly improve Communications within and between the islands, in the event of National or Regional Disasters. The other countries benefitting are Anguilla, Dominica, Montserrat, St. Vincent and the Grenadines and St. Lucia. While the Equipment is individually tailored to the needs of each island, all will benefit from new Headquarters' Equipment, and installations in Rural Police Stations. In some cases, Mobile Equipment is also being provided. Ancillary Equipment will include Antennae and generators. Provisions have also been made for the training of Police Personnel on the new Equipment and a back up supply of spares is being provided. The Assistance is part of Britain's longstanding programme of Aid to Police Forces in the Region, which includes training and the provision of new vehicles and advisers. [Text] [Basseterre THE DEMOCRAT in English 1 Sep 84 p 9]

CSO: 3298/001

BRIEFS

RISE IN EXPORTS--DOMESTIC exports for the first half of this year were higher than the corresponding last year, the Government Statistics Department has announced. The exports value rose from \$58.4 million during January to June 1983 to \$66.1 million for the same period this year--an increase of 13.3 per cent, a statement from the Department says. But it adds that total exports (domestic exports plus re-exports) dropped from \$77.4 million last year to \$69.6 million this year--a decline of 9.7 per cent. The Department notes that there had been an increase in imports by 12.8 per cent. It says that imports from January to June 1983 stood at \$13.5 million while the figure for this year rose to \$15.4 million. At the same time imports from CARICOM countries increased from \$21.1 million during the first half of 1983 to \$25.5 million during the corresponding period this year but exports dropped from \$22.1 million to \$20.6 million this year, the Department says. It explains that the unfavourable balance of trade with Trinidad and Tobago continued to worsen as imports this year rose by 51.4 per cent and exports dropped by 31.5 per cent. The main area of decline was in the area of clothing which was due in part to the trade restrictions imposed by that government. [Text] [Castries THE WEEKEND VOICE in English 1 Sep 84 p 3]

CSO: 3298/011

TRINIDAD AND TOBAGO

OWTU SETTLES WAGE DISPUTES WITH LEVER BROS , MCNEARNEY

Port-of-Spain TRINIDAD GUARDIAN in English 15 Sep 84 p 1

[Article by Suzanne Morris]

[Excerpts] THE TWO major industrial disputes involving Lever Brothers (West Indies) Limited, Charles McNearney and Company Limited and the Oilfields Workers' Trade Union, were resolved yesterday at the Ministry of Labour, Social Security and Cooperatives.

The end came at 10 a.m. with representatives of both companies and the OWTU agreeing to proposals made several weeks ago by Minister of Labour, Social Security and Cooperatives Errol Mahabir.

This means that the wage settlement for Lever Brothers' workers is 24 per cent over three years. The McNearney workers will get 22.6 per cent.

Mr Mahabir, who presided over several conciliatory sessions, was not present for the settlement. He is out of the country taking a rest on the advice of his doctor.

Union and company officials declined to comment on the agreements yesterday.

The strike at Lever Brothers brought operations of the factory to a halt and resulted in acute shortage of butter and various types of detergents. Three weeks ago the company hired temporary staff to resume production.

At McNearney, operations came to a standstill on April 19 when the company took lock-out action. At that time the company's wage offer was 22.6 per cent.

Later the company dropped to 19 per cent but agreed to return to the previous offer on the advice of the Labour Minister. The union was asking for 25.6 per cent.

A mass meeting called by the union to be held at 1 p.m. yesterday at the strike camp, Champs Fleurs, was called off after the agreement was signed.

CSO: 3298/1158

JNT RALLY VOICES REJECTION OF GOVERNMENT WAGE OFFER

Port-of-Spain TRINIDAD GUARDIAN in English 19 Sep 84 p 1

[Text]

MORE than 5,000 public servants thronged Woodford Square, Port-of-Spain, on Monday night in the rally called by the Joint Negotiating Team. They shouted "no to the Chief Personnel Officer's 6 per cent offer," "no to retrenchment" and "no to any wage freeze."

A standing ovation was given to officials of the Oilfields Workers' Trade Union, headed by the President-General Mr. George Weekes, who joined a motorcade from the South to show solidarity with the JNT.

Dr. Kenrick Rennie, President of the Public Services Association, said the six per cent offer was nothing better than a wage freeze, or even worse than a wage freeze.

Dr. Rennie said the JNT was saying a resounding no to the clear intention of the powers that be to have the working masses carry the burden for the lack of planning, oversight and down-right theft during the boom years.

A member of the crowd went on stage, snatched the microphone and made abusive remarks about the Prime Minister, his family and the Government. The microphone was taken away from him.

It is understood that a police sergeant on duty near the band stand held the man for questioning.

Fire Officer Carlton Clarke, President of the Fire Services (Second Division) Association, told the crowd he was prepared to go to jail in the fight for better living conditions.

He said he meant no insult, but sno cone and nut venders were more men than firemen garbed in fancy

uniform.

He said firemen should not be misled into believing that by demonstrating it would hamper their promotions, as promotion was something competitive and on merit.

It was Insp. Cecil Mitchell of the Police Association who caused laughter he told the gathering he stood before them accused of sedition to which he pleaded guilty, if it meant standing in public to fight for the rights of workers.

Accusing the employer of treason, he said:

- The employer without due regard for the welfare and benefit of the citizens of this country squandered millions of dollars on the Caroni Racing Complex.

- The employer allowed the D.C.-9 aircraft to overfly the air space of this country and end up in the laps of a public official.

- The employer allowed \$3.6 million to leave Caroni and go to Panama.

"Ladies and gentlemen," he asked the crowd, "How do you find the employer on charges Nos. 1, 2 and 3?

The crowd vociferously replied: "Guilty, guilty, guilty."

Insp. Mitchell charged that efforts were being made within his department to prevent his brothers and sisters from wearing the red ribbon. But he wanted to sound a warning that the Police Regulations gave policemen the right to participate in every activity of the staff association.

Mr. Errol McLeod of the OWTU attacked the health surcharge, especially as "hard-working Labour Minister, Errol Mahabir had to leave Trinidad to go to Miami for a check-up."

CSO: 3298/1158

MOHAMMED CLAIMS INCREASES IN FOOD PRODUCTION

Port-of-Spain TRINIDAD GUARDIAN in English 15 Sep 84 p 9

[Statement by Mr. Kamaluddin Mohammed, Minister of Agriculture, at the PNM Constituency Conference, Barataria, on Saturday September 8, 1984]

[Text]

MANY commentators have looked at the declining trend in production of some crops, mainly sugar, cocoa, coffee and citrus and have concluded that agriculture is on the decline, and that the Government's agricultural policy has not been successful in maintaining a dynamic and vibrant agricultural sector.

Such conclusions to my mind betray a woeful lack of appreciation of the factors which influence economic policy and economic development as well as a failure on the part of such commentators to undertake a rigorous and thorough analysis of developments in the sector as a whole rather than in individual sub-sectors.

In this first case it should be noted that on a macro level the value of agricultural production has increased steadily over the years moving from \$253.9 million in 1975 to an estimated \$511.1 million in 1983.

Secondly, it is significant that the decreases in production have been recorded only in the traditional export crops. This development was not altogether unexpected.

Given our limited land resource base, it is extremely difficult for us to continue to compete effectively in external markets with countries which have superior resource endowments.

#### UNCERTAINTIES

Sugar is a classic case. Domestic cost of production is about \$4,500 per ton whereas the best price obtainable on the international market is approximately \$1,000 per

ton. Apart from this, export agriculture has traditionally been produced by large estates which depend upon hired labour.

As the industrialization efforts of the country began to gather momentum, labour was attracted away from agriculture and plantation agriculture was immediately and most severely affected.

The uncertainties created by the instability of prices on the international market pose severe limitations on economic planning; additionally, the problem of the inadequacy of labour resulting from the generation of more attractive employment opportunities in other sectors of the economy was anticipated.

This explains the orientation of Government's agricultural policy away from plantation export crops towards a new focus on domestic food crop production based on small family employing modern technology as far as may be practicable with a view to increasing national food security and improving the incomes and welfare of the rural population.

To support the new thrust in agriculture Government stepped up its efforts in a number of areas including its land distribution programme, credit facilities, access roads, and production and distribution of planting material.

Between 1981 and 1983, a total of 1,368.7 hectares of state lands were distributed to farmers.

During the same period loans amounting to \$282 million for 4,100 farmers were approved by the Agricultural Development Bank; the sum of \$24 million was expended on the development of access roads, and 1,609,434 orchard plants were produced for sale to the public.

The results of our efforts are

there for all to see but are seldom highlighted by commentators who seem to have a penchant only for criticism.

Production of tomatoes moved from 7.3 million kgs. in 1981 to 7.8 million kgs. in 1983 and for the first six months of 1984 was estimated to be 4.6 million kgs.

Production of sweet peppers increased from 573,000 kgs. in 1980 to 807,000 kgs in 1983; production for the first six months of 1984 was 350,000 kgs. Similar increases were recorded in respect of other vegetables including cabbages, melongene, pumpkin, cauliflower etc.

Virtual self sufficiency has been attained in poultry and pork. Production of broilers increased from 23.5 million kgs. in 1980 to 34.3 million kgs. in 1983, while production of pork during the same period moved from 1.8 million kgs. to 3.5 million kgs. an increase of almost 100 per cent.

Production of milk has also seen a dramatic increase moving from 5.5 million litres in 1980 to 11.2 million litres in 1983. Everyone is aware that in 1984 production of vegetables reached unprecedented levels resulting in occasional oversupplies for short periods.

The same situation obtained in respect of pork where we are currently experiencing difficulties in disposing of farmers supplies.

So that from a production point of view the country has been doing exceptionally well in certain areas in agriculture, but these achievements never seem to make the headlines.

A critical element underlying the success we have achieved is the food import policy we adopted about three years ago when we decided to provide domestic producers with some degree of protection against competition from foreign suppliers.

Members of this audience will recall the public criticism and condemnation to which I as Minister of Agriculture, Lands and Food Production was subjected when I imposed a total ban on the importation of tomatoes, cabbages and sweet peppers.

But I was confident that, given an opportunity to produce, local farmers can adequately supply our domestic requirements in certain selected commodities. Experience has shown that my confidence in the farmers was not misplaced and that my decision was justified.

This country is at present experiencing economic difficulties arising from what has been described by some as an economic recession — a normal cyclical economic phenomenon — while others choose to call it a downturn in the economy.

Whatever description we accept, the basic reality is that the majority of the population is unable to continue to enjoy the high standards of living to which it had become accustomed in the past decade because of fortuitous developments occurring in the petroleum industry.

All the analyses and diagnoses undertaken so far have concluded that recovery is still some time in coming and that in the meantime some adjustment is necessary.

CSO: 3298/1159

TRINIDAD AND TOBAGO

TESORO REPORTS OFF-, ON-SHORE OIL DRILLING PROGRAMS

Port-of-Spain TRINIDAD GUARDIAN in English 20 Sep 84 p 1

[Text] TRINIDAD-TESORO Petroleum Company is to embark on a \$35 million, six-month exploratory drilling programme off the south-east coast of Trinidad in the Galeota area apart from spending \$70m on land drilling this year.

The marine drilling programme will involve two or more exploratory wells and arrangements are being finalised for equipment to be brought to the country.

This will be a continuation of the company's 1978 exploration programme in this area. The drilling will be concentrated some 15 miles off-shore and ten miles east of the company's four marine production platforms. The area is in one of three blocks held under licence by Trinidad-Tesoro, and has been the subject of several detailed seismic programmes--the most recent of which was in 1982.

Current oil production from Galeota is approximately 4,500 barrels per day. If the new exploratory programme is successful, it could lead to the establishment of a new field and a substantial increase in production after development drilling is started according to a release.

On land, the company plans to carry out a small but significant seismic survey in the Santa Flora area. A very active drilling programme is envisaged including several key outstep wells, which the company plans to drill to a maximum depth of 9,500 feet. Normal development drilling activity will be maintained at a relatively high level as some 80 wells are planned to be completed in the fiscal year 1984/85.

The total cost of the drilling programme on land for the year will be approximately \$70 million.

CSO: 3298/1159

PANDAY: LEADERSHIP NOT A PROBLEM IN NEW ALLIANCE

Port-of-Spain TRINIDAD GUARDIAN in English 18 Sep 84 p 1

[Article by Clevon Raphael]

[Text]

OPPOSITION Leader Basdeo Panday yesterday afternoon dismissed fears expressed by the Tapia House Movement that the National Alliance for Reconstruction (NAR) was in danger of being bogged down over the question of leadership.

Mr. Panday, who spoke after top officials of Tapia held a Press briefing yesterday morning, said: "NAR has not addressed itself in any serious way to this question because we do not see it as a major problem. As a matter of fact, NAR has set up two committees, one of which is drafting a constitution and the other to prepare a joint policy programme.

"Procedures would be laid down in the constitution not only for the selection of a leader, but also for other officers in NAR.

"Tapia is a constituent member of NAR and we expect them to make an important input into the deliberations."

NAR, which is comprised of the National Alliance (United Labour Front, Tapia and the Democratic Action Congress) and the Organisation for National Reconstruction, is the first step taken by the Opposition parties to forge a national party of unity. (**Difficult to form another national party says Ince — P 3.**)

Tapia Chairman Dr. Beau Tewarie; Treasurer Mr. Peter Fung Kee Fung and Mr. Michael Anthony Harris, Secretary of the Tapia Council, underlined the urgency of settling the leadership issue.

"We are of the view that an electoral accommodation involving a federation of parties is too loose and unstable to win the support of the population at large," said Mr. Fung Kee Fung.

#### 3 PROPOSALS

At the next meeting of NAR's contact group scheduled for October 1, Mr. Fung Kee Fung added, Tapia would be putting forward these three proposals:

- The opposition forces form one single unitary party.

- The political leadership be settled by open and democratic competition to be capped by an electoral college assembly made up of representatives of the various parties.

- The holding of a joint convention of the existing opposition parties to be held before November 1984; this suggested convention would ratify the constitution and the method for solving the leadership issue.

In essence the Tapia spokesmen argued that one could wait until the next general elections or even after the elections — if the NAR should win — to announce the leader and consequently the Prime Minister of the country.

Dr. Tewarie, a University of the West Indies lecturer, added: "In a sense we are trying to put a little pressure on NAR to grapple with this leadership issue now. We don't think our proposals are unacceptable to the parties which form NAR but we think this is a matter of great urgency that must be tackled now.

"Another important factor why this issue must be settled before a general election is the history of Opposition groupings in this country. It is important the electorate must be given a viable alternative well before a general election is

called."

Mr. Fung Kee Fung emphasised that Prime Minister George Chambers always had the option to call a general election, another reason why the leadership question should be firmly settled.

He said that Mr. Chambers could call a snap general election after the Tobago House of Assembly election carded for November.

Asked why Tapia had called the news briefing to deal with what could be considered essentially a domestic matter (leadership issue) within NAR, Dr. Tewarie, who like Mr. Fung Kee Fung disagreed with the suggestion that the issue was domestic, said: "We feel that by bringing this in the public is to prevent any behind-the-doors machinations — not that we think this will take place — and let the public know exactly what is taking place because this is a matter of national importance. It is not a domestic issue."

Questioned that perhaps Tapia was "taking in front before in front takes it" in the context of the party being squeezed out by the other numerically-stronger units of NAR in a leadership tussle, Dr. Tewarie also denied that was the case.

He said Tapia was prepared to make any sacrifice for the realisation of a party of national unity and in that regard it had suggested an electoral assembly.

Asked what would be the position of the Opposition parties if they failed to come up with a united party before a general election was called, Dr. Tewarie replied:

"We can always fall back on the electoral accommodation which defeated the ruling People's National Movement in the 1983 Local Government elections but that would not be the ideal situation at all because, as we said, the leadership issue could be used against us....."

CSO. 3298/1158

PNM SPEAKERS EXHORT PARTY TO SHAKE OFF COMPLACENCY

Port-of-Spain TRINIDAD GUARDIAN in English 17 Sep 84 p 1

[Article by Clevon Raphael]

[Excerpt] AN ATTEMPT is being made to seduce the people of Trinidad and Tobago into believing that until there is a change of party in government we do not have a proper functioning democracy.

Education Minister Overand Padmore said this while delivering the feature address at the annual conference of the Tunapuna constituency of the People's National Movement (PNM) at El Dorado Girls' Youth Camp last Saturday evening.

Mr. Padmore was one of several ministers speaking at similar exercise throughout the country over the weekend--all leading up to the PNM's annual convention to be held in Tobago at the end of this month.

Yesterday morning, at the Toco/Manzanilla Constituency conference, Ministers Hugh Francis (Works, Drainage and Maintenance), Senator Dr. Basil Ince (External Affairs) and Senator Muriel Green (Information) delivered addresses at that constituency's session.

Also on Saturday at the youth camp, the parliamentary representative for Tunapuna, Mr. John Scott, delivered a verbal broadside against certain aspects of the operations of the much criticised DEWD.

Shake Off Attitude

A general theme touched on by the various speakers was that members of the party needed to shake off an attitude of complacency brought on perhaps by the fact that the party was in power for 28 years.

Mr. Padmore said that the question which could be asked was how come the PNM was able to retain power for 28 years, in free and fair elections.

He replied: "The basic and simple answer is it has been due to the nature of the policies pursued by successive PNM governments first under the leadership of Dr. Eric Williams and subsequently under the leadership of Mr. George Michael Chambers.

"If democracy means anything it is that governments rule in the interest of the governed, and democracy is not about one party in today and another party in tomorrow.

"An attempt is being made to seduce the people of this country into believing that until we have a change of party in government we do not have a proper functioning democracy in this country.

"That is an insult to the thinking of the people of this country. Democracy requires that you have an opportunity from time to time to pass judgment on those who are in office and for so long as you are satisfied with their record, you continue to say more of the same."

On the situation regarding DEWD, Mr. Scott said that based on one of the country's watchwords the citizens really had tolerance.

He added: "Why in the light of technological advancement should we have in this day and age workers going on the job at seven in the morning, do nothing and leave at nine?

"I, John Phillip Scott will never be a party to that. I cannot tolerate it. (applause). It hurts me. It bleeds me when I see the men and the women in their tight, tight skirts sitting on the side, doing nothing, and from time to time when I stop to talk to them some of them took me to a weekly newspaper, and they say they will get me because I was made enough to tell them, 'Oh God, do something for the money you are getting.' (applause).

CSO: 3298/1158

OPPOSITION SENATOR QUERIES GOVERNMENT ON AID FOR GRENADA

Port-of-Spain TRINIDAD GUARDIAN in English 19 Sep 84 p 3

[Text

OPPOSITION Senator Dr. Sahadeo Basdeo is calling for a public statement from the Minister of External Affairs, Dr. Basil Ince, about steps the Government has so far taken to implement the recommendations of the official aid mission which visited Grenada in June.

Since the report of the mission was submitted to Cabinet in July, virtually no statement has been made by the Government with regard to its commitment to implement the recommendations.

Senator Basdeo stated that before the departure of the mission, the Minister of External Affairs gave the assurance that Government would give serious consideration to the findings of the mission.

THOSE IN JAIL

He said: "It is therefore time steps be taken by the Government to ensure that the work of the mission was not futile." The Senator said that the Grenadian people were anxiously hoping that the Government of Trinidad and Tobago would save face on this occasion by assisting in Grenada's attempt at national reconstruction in the aftermath of the 1983 crisis.

He added: "Should we fail to respond to the needs of the Grenadian people as identified by the report of the mission, we would further alienate and isolate Grenada. By extension this would only help to undermine the need for Caribbean co-operation and unity."

Dr. Basdeo asked about the steps taken to provide technical assistance, skilled manpower and expertise to assist in the infrastructural

development of Grenada.

The Senator further asked: "How committed is the Government to extending the Caricom Oil Facility to Grenadians and if so, how soon? Is the Government committed to counterpart funding for infrastructural projects now at a standstill?"

Senator Basdeo said that it was also important for Minister of National Security John Donaldson to make a statement about the number of Grenadians imprisoned in Trinidad and Tobago since the October 1983 crisis, how many were still in prison and the reasons for incarceration.

He said that these answers must be given, if only to appease Grenadians who were of the opinion, rightly or wrongly, that hundreds of Grenadians were imprisoned in Trinidad and Tobago after a deliberate witch hunt by the Government since October 1983.

Dr. Basdeo said: "It is my view that the Government and the people have a moral responsibility to assist the Grenadian people at this period in their development."

Equally important, said Dr. Basdeo, was the fact that the people of Trinidad and Tobago had the right to know what steps were being taken by Government to assist the "sister" isle in the process of national recovery.

CSO: 3298/1158

TRINIDAD AND TOBAGO

BRIEFS

OWTU MARCH--THOUSANDS of workers joined the Oilfields Workers' Trade Union "March of Resistance" in San Fernando on Saturday to protest "wage freeze, retrenchment, unemployment and corruption." The workers assembled outside the union's headquarters, Circular Road, from shortly after 8.00 a.m. The march did not get under way until after 10 a.m. The march gained momentum as the workers moved to Royal Road, Coffee Street, around Library Corner and Harris Promenade, down Chancery Lane and up High Street into Pointe-a-Pierre Road. On Coffee Street and Library Corner, store clerks and shoppers left their business to view the demonstration and in many case cheered the participants. The whole of Chancery Lane was jammed with demonstrators. The march was headed by officials of the OWTU, Mr. George Weekes, President General, Mr. Errol McLeod, Vice President, Mr. David Abdulah, Research Officer as well as officials of the Transport and Industrial Workers' Union, TTUTA, the Brotherhood of Construction and Industrial Workers, with branch officers of the OWTU heading their various groups, some of which came to San Fernando by Public Transport Corporation 'buses. Workers of Lever Bros. Chas. McNearney and Company and Bermudez Biscuit Company were in the front. Mr. Weekes said the three groups were heading the march because of their determined struggle.  
[Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 Sep 84 p 3]

APPEAL TO WEEKES--THE EMPLOYERS Consultative Association (ECA) has written to Mr. George Weekes, President General of the Oilfields Workers' Trade Union, calling for the union to resume attendance at the tripartite talks. The letter signed by Mr. Emil de la Grenade, President of the ECA was sent to the union on August 21, but so far the union has not responded. The ECA has also asked the union to encourage attendance of the Congress of Progressive Trade Unions at the tripartite talks. The letter was written in the light of reports that the union had expressed a willingness to have meaningful dialogue with the ECA to bring about industrial peace. The ECA's letter said in part: "We feel that these talks are already so structured and the agenda can be even further redesigned to accommodate any of the subjects which you or we are prepared to discuss." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 18 Sep 84 p 1]

PANDAY ON CARONI--IN RESPONSE to Thursday's call by Mr. Dean Saidwan, outgoing President of the South Chamber of Industry and Commerce to "close down the sugar industry", Opposition Leader Basdeo Panday, President General of the All Trinidad and General Workers' Trade Union, said that "Mr. Saidwan doesn't

understand what Caroni (1975) Limited is all about. He assumes," Mr. Panday added that Caroni operates as a business and private enterprise. He doesn't realise that it operates as an arm of Government and as such the true loss of Caroni is not reflected in its accounts. For example, Caroni provides many services which ought to be provided by the State. These facilities are provided at Caroni's costs. "Caroni has provided (66) playing fields, roads, schools and coaching facilities for schools. When Government expropriates Caroni's lands, "one of Caroni's most valuable assets, no payment is made to Caroni for this," Mr Panday added. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 18 Sep 84 p 3]

PHONEY EC-0 FORMS--CURRENT restrictions by the Central Bank of Trinidad and Tobago to stem the rapid outflow of foreign exchange have spawned a thriving business in the issue and sale of bogus EC-0 documents. Operation of the multi-million-dollar racket has been jolted by Fraud Squad detectives with the discovery of faked approval forms authorising the release of some US \$361,000 (TT \$866,000) for the importation of goods from the United States. The racket came to light when a Port-of-Spain businessman advised his bankers to stop payment on a TT \$15,000 cheque handed over to a man for the "approved" documents. It was learnt that the executive of the import-export business had second thoughts about the authenticity of the documents and decided to check with the Central Bank. His fears were justified as the EC-0 forms had false approval stamps and forged signatures of authorising foreign exchange officials. The breakthrough has brought into question the stamping system by the Central Bank for the approval of EC-0 forms. It is felt that the operative system of using rubber stamps and authorising signatures lends itself easily to fraud and open abuse. Meanwhile, checks are being carried out at commercial banks in a bid to determine to what extent foreign currency may have been released through the presentation of false EC-0 forms. [By George Harvey] [Excerpts] [Port-of-Spain TRINIDAD GUARDIAN in English 19 Sep 84 p 1]

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LEFTIST PARTIES REPORTEDLY WEAKENED BY DIFFERENCES

Caracas EL NACIONAL in Spanish 30 Aug 84 p D-13

[Article by Leopoldo Linares: "What Has Become of the Left?"]

[Text] What has become of the left?

Many Venezuelans are asking themselves this question. And the question is logical, because that stronghold of Venezuelan politics which used to show up so prominently and which was even able to afford to offer two presidential candidates, seems to have vanished since the serious setback in the general elections of 4 December 1984.

The parties, groups and small factions comprising the so-called left seem somewhat disorganized and beset with major internal problems. They have no cohesion nor tactics, much less a general strategy toward the government which took office on 2 February of this year. They have almost discarded the mass struggle. The strength that they retain in Congress (two senators and 21 deputies) is virtually wasted, since they do not act as a consistent group, but rather in dispersed fashion, recalling the "archipelago" of the last election campaign.

It is no secret to anyone that the left is experiencing a period of many difficulties. Keeping our distance, insofar as methods and weapons are concerned, we might say that this crisis is comparable only to the one which arose on the occasion of the guerrillas' military defeat during the 1960's.

Someone pointed out very correctly that every victory has 100 fathers and every defeat is an orphan. That saying could be applied to the left. In this political sector (with but few exceptions), we are witnessing an attempted debate on the causes for the electoral defeat, and a process of politico-ideological redefinition and even personal reaccommodations so typical of post-election periods. This phase of ideological disquisition (not devoid of old grudges and personalism) is distracting the left, depriving it of oppositional strength and, in general, giving it a rather uncertain future within the country's political panorama.

### The MAS 'Zoo'

Since its dissociation from the Communist Party in January 1971, the Movement Toward Socialism [MAS] has attempted to establish genuine internal democracy within itself. The MAS members claim that they are offspring of debate, and constitute the only Venezuelan party that acknowledges, in its statutes, the existence of internal movements and the representation of minorities when it is time to form its leadership entities.

The old movements known as "Teodorism" and "Pompeyism" (headed by the founding leaders Pompeyo Marquez and Teodoro Petkoff) have during the past 5 years given way to the groups known internally as the "Toucans," "Falcons" and "Dogs."

The "Toucans" were headed by Luis Bayardo Sardi, German Lairet, Antonio Jose Urbina, Anselmo Natale, Alfredo Padilla and Walter Boza. Considered to be the Social Democratic movement, its members overly criticized "real Socialism" and wanted nothing to do with the traditional left. This group is rather diminished, because some of its members accepted posts in the new government, others left MAS and a third group is trying to make its own way. During the post-electoral period they were also called the "Ambassadors" group (because it was already known that Lairet and Urbina were engaged in deals to accept embassies offered by Jaime Lusinchi's government); and they even went so far as to propose direct MAS collaboration with AD [Democratic Action], a proposal that was rejected by the MAS national leadership.

The "Toucans" maintain their ideological positions, although they are somewhat divided as to personal ambitions; for both Anselmo Natale and Carlos Raul Hernandez aspire to the MAS secretary general's position in the coming internal electoral process.

The "Falcons," led by Freddy Munoz, maintain their "apparatchik" position in MAS, and their leader has the first option in the battle for the secretary general's position. Still in this movement are Rafael Elinio Martinez, Victor Hugo D'Paola, and Eduardo Pozo, and influential people from the interior, such as Carlos Tablante (Valencia), Adan Anez Baptista (Barquisimeto) and Luis Homez (Maracaibo). This movement upholds the Socialist concept of the original MAS plan.

The "Dogs," a group including the orthodox or Pompeyist persuasion, have always acted as a force for balance, and attempted to avoid further confrontations among the members of MAS. The movement is led by Pompeyo Marquez, Eloy Torres, Rafael Guerra Ramos, Arturo Tremont, Felipe Mujica and leaders from the interior such as Feijoo Colomine, Cruz Sierra and Sol Alvarado. They maintain an affinity with the "Falcons," with regard to the defense of the Socialist plan and the line of opposition to the present government. They have not determined positions regarding the election of new authorities, although they will surely back the Pompeyo Marquez-Freddy Monoz ticket for president and secretary general, respectively.

In fact, there appears to be a very fluid process in MAS insofar as the regrouping of movements is concerned. Certainly, as the internal electoral process advances, there will be mergers, agreements and the so-called "recombinations." It has already been announced that Juvencio Pulgar left the "Dogs" and wants to be a candidate for secretary general; whereas Rafael Thielen is attempting to set up a so-called "Emergency Force" that might back Pulgar or back Thielen himself as a candidate for the MAS secretary general's post.

Many rumors are circulating both inside and outside MAS concerning the outcome of the parallel processes that are being carried out currently, which will have to end with a politico-ideological definition of the movement and the selection of its new national authorities. Some claim that the victory of Freddy Munoz ("Falcon") could hasten the departure of Luis Bayardo Sardi and Carlos Raul Hernandez ("Toucans"); while others have told us that the "Emergencies" led by Thielen favor discarding MAS' own presidential candidacy and seeking a means for politico-electoral rapprochement with AD.

#### The Other Debates

In the rest of the left difficulties have also cropped up when it has been time to implement a consistent policy line and to define the ideological concept of each group. For example, the Socialist League and the Movement of the Revolutionary Left [MIR] are holding individual debates on the subject.

Observers associated with both political groups point out that the dispute between pro-Marxists and anti-Marxists has become especially harsh within the Socialist League. In MIR, there has also been a discussion of the Marxist concept of this party, but its leaders claim that there is no danger of a division; rather, that they will emerge from this internal ideological confrontation more united.

The New Alternative, which was left greatly reduced by the election results and the abandonment of its ranks by several of its leaders, is also discussing the scope of a unifying policy for the left. This group, with leader Guillermo Garcia Ponce heading it, still thinks that "Socialism is not around the corner," and that an extensive policy must be developed that will make it possible to formulate a genuine option for power for the left in Venezuela.

Only the People's Electoral Movement [MEP] and the Communist Party of Venezuela [PCV] are not involved in politico-ideological discussions. They hold coinciding views on the opposition to the government and generally vote together in the National Congress. To be sure, some observers have noted that both MEP and PCV "are by now sufficiently rid of burdens," and do not have internal movements that are strong enough to create problems. Nevertheless, the MEP members are involved in an electoral process that should end with the selection of new authorities next November, and there are two hopefults for the secretary general's position: Adelso Gonzalez Urdaneta and Fernando Alvarez Paz.

No one has explained the marked deterioration suffered by the left. Many recall the unified actions, including that of the group of prominent persons who were calling for a unified candidacy between 1982 and 1983, without any positive

results. Others attribute the phenomenon to the impatience and immediatism that have marked the country's political groups and leaders. As examples, we might mention the large-scale defections suffered by the two leftist blocs which competed in the general elections in December of last year; the fact that prominent figures from MAS hold positions as ambassadors or are serving the government's policy; while some who were with Jose Vicente Rangel are now close to AD (as in the case of Americo Martin), or have become government advisers (such as Carlos Blanco).

Meanwhile, the left is not making its presence felt; not even the critical economic situation that the country is experiencing has prompted it to emerge from that post-election lethargy. And therefore, every day more people wonder: What has become of the left?

2909  
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VENEZUELA

ESTEBAN REY ON REACTIONS TO LUSINCHI SPEECH, OTHER ISSUES

COPEI's Reaction

Caracas EL UNIVERSAL in Spanish 13 Sep 84 p 1-13

[Article by Luis Esteban Rey: "The President's Message and the Opposition"]

[Text] Applause could not be expected of the opposition in connection with last Sunday's message from President Lusinchi regarding the left, because the courses of action which it thinks should be traversed to solve the serious crisis that the country is experiencing are different: courses of action somewhat dissociated from the real political, economic and social situation that we are undergoing. Insofar as COPEI [Social Christian Party] is concerned, it is only logical that it should react as it has, even being forced to take on the defense of Luis Herrera Campins' government (contradicting previous statements and positions of several of its most prominent leaders), as it has shown in establishing its official position toward the head of state's remarks.

The Reaction From COPEI

Neither the president nor his government is actually "looking to the past," as the Social Christian leadership claims. In none of his previous messages, statements or speeches did Dr Lusinchi comment in depth on the situation which he inherited in February of this year. It was on Sunday that he embarked rather thoroughly upon the details of the very serious problems inherited from Luis Herrera Campins' COPEI government. And he had to do so citing statistics and facts, because the opposition (on both sides) has been hurling criticism at the present administration making it virtually appear to be responsible for what others have done. To be sure, COPEI is prominent in this opposition stance, because whatever the attitude of the Social Christian high command toward Luis Herrera's government, it must necessarily admit, as it has done in establishing its position, that COPEI gave that government its support.

Necessary Identification With Luis Herrera

In fact, in a portion of its statement, the COPEI national committee claims that, in his message, President Lusinchi "has manipulated statistical

information regarding Venezuela's actual economic situation during the administration of President Luis Herrera Campins, and contains general charges, lacking in truth and unfair toward that administration and us, the political forces that back it." It adds that they reject them forcefully, because they do not take into account international factors and the performance of the AD government during the 5-year period 1974-79.

In brief, those declarations say more or less the same thing that former President Herrera claimed in his statements regarding Lusinchi's message. But it does not suffice to talk about statistical manipulations or charges lacking in truth and unfair to the Herrera administration. Rather, an opposition that takes its role seriously and aspires to make well founded criticism must show what the manipulations consist of, and wherein lies the lack of truth and the unfairness. President Lusinchi has offered figures and has cited facts which, moreover, are being reflected severely in the critical situation that we are experiencing. We insist, it would be very interesting if COPEI, or rather Dr Herrera Campins, were to engage in some exercise involving numbers to refute the statistics contained in the presidential message.

According to COPEI (as we noted previously), the message conceals the effect of international factors (as Luis Herrera claims) on the Venezuelan crisis; but it forgets that it was always stated in Venezuela, during the years of the immediate past, and the government admitted it, that although international circumstances prevailed, with an adverse reflection on the economies of the Latin American countries, Venezuela was to some extent an exception; because our oil income enabled us to develop a defensive economic capacity that other nations on the continent did not have, in addition to the fact that their debts were higher.

#### The Oil Income and the Debt

Furthermore, it is odd for COPEI to claim that, in President Lusinchi's message, a partial, tendentious analysis was made of the behavior of oil prices over the past 5 years. That analysis in no way has such flaws. It is public knowledge, well known and impossible to deny that, during the first 3 years of Luis Herrera Campins' COPEI government, Venezuela accrued the largest oil revenue in its history, owing to the rise in the prices of the mineral; greater (nearly double) than all the income received by the Carlos Andres Perez administration in its 5 years. How can the COPEI National Committee deny such a reality? Of what does the "partial, tendentious" analysis consist? COPEI would do well to offer us its version of this matter.

We might say the same about the public debt which, although it had reached 82 billion bolivares by 1979 (Bolinaga report), rose to nearly 200 billion under LHC's government. But the most serious aspect, as the head of state has emphasized, is that, despite that remarkable revenue, "the economy, rather than becoming stimulated, became stagnant and later retrogressed." This is quite true; it is not a result of any manipulation; and it is one

of the fundamental elements shaping the crisis in which Luis Herrera's administration left the country. It cannot be denied that, during the 5-year period 1974-79, certain projects were unnecessarily oversized, paving the way for increased public and private spending. But the course could have been corrected with the income that fell into the hands of former President Herrera. However, it so happened that, because of a definite lack of economic policy (as Dr Lusinchi noted in his message), the inconsistency and the glaring contradictions within the government, the country, which had opportunities for correcting courses and taking a positive direction, retrogressed instead; and the squandering increased, while the corruption assumed a shocking expansion in high government positions.

#### The Loss of Confidence

But it was not just because of what we have just cited that the country entered definitively upon a crisis that could have been diminished and overcome had there been anything resembling an economic policy; rather, the president's conduct, which was inexplicable even to many of his fellow party members, rather than inspiring confidence in the country, contributed to the loss of it. This fundamental fact, which was reflected in all of the country's sectors, submerged it further still into the crisis. Many of the most prominent COPEI leaders will admit that we are not exaggerating; that what we are saying now was also stated during the years of Luis Herrera's government, giving rise to what has been termed the "intelligent solidarity."

So, what happened? The entire burden of the crisis fell upon the shoulders of President Lusinchi, who has had to put up with, for example, the consequences of exchange measures that were adopted too late; when a devaluation was caused, it was inevitable that they should have an effect on the prices of many items consumed daily. For all these reasons, the fundamental roots of the crisis are buried in COPEI ground.

Therefore, it is not a matter of seeking excuses now, and taking shelter in the "former government"; but rather, it would appear necessary from any standpoint to cite and underscore the origins of the severe crisis being suffered by Venezuela, because the COPEI members themselves are the first to hurl barbs at President Lusinchi's administration, virtually demanding the impossible of him in many instances, at least during the period of time that has elapsed, as if they were dissociated from any blame and the crisis had arisen as a result of the policies of the present government.

#### Government for All Venezuelans

It is, moreover, very shoddy demagoguery to proclaim, as COPEI has in its official statement, that this administration is not concerned about the middle class or the sectors of the population working outside business firms and on the salary levels stipulated in the decrees. This is tantamount to evading reality in search of a clientele that COPEI lost on a very large scale in the 1983 elections.

Lusinchi's government is governing for all Venezuelans. In this respect, his calling as a politician and a public man is very well known; but he cannot be expected, in 7 months and amid a very serious crisis, to have been able to solve fundamental problems. It was for this reason that President Lusinchi decided to address the nation, explaining to it quite clearly the state that it is in, including the dreadful disorder in public services which it is being attempted to correct, and which COPEI is also trying to deny, in that last-minute subjection to Herrera Campins' position.

#### The Purposes of the Presidential Message

The presidential message certainly did not contain any spectacular announcements, as some may perhaps have hoped; although the president had given notice, repeating it at the opening of his remarks, that it was his desire to share thoughts on the progress that has been made and the inadequacies that still persist and that will unquestionably persist longer, as well as on the most suitable course of action.

President Lusinchi remarked several times that miracles cannot be expected from the measures adopted, and that he has no magic powers for changing the status of the republic overnight. Furthermore, none of this can be accomplished except with the sacrifice and cooperation of all Venezuelans. The head of state noted more than once that we are living in new times which require a new conduct and a new attitude toward Venezuela and toward ourselves. In short, what is involved now is "building and facing the future," as President Lusinchi put it. To do this, we must start with the reality, understanding completely the dimensions of the crisis that we inherited and the efforts that we are expending to surmount it.

#### Unemployment Problem

Caracas EL UNIVERSAL in Spanish 10 Sep 84 p 1-13

[Article by Luis Esteban Rey: "Unemployment, a Fundamental Problem"]

[Text] One of the most serious consequences of the grave economic crisis that the country is undergoing is unemployment. It had already started to appear on a large scale during Luis Herrera Campins' COPEI government.

One of the measures adopted by the government of Dr Jaime Lusinchi to combat unemployment has been a compulsory increase of 10 percent in the personnel of business firms. This measure has been widely debated, but it has to some extent helped to alleviate the problem, although it is not sufficient.

Employment is fostered largely by economic reactivation, particularly that of industries such as construction. Not only does it provide work for many, but also its proliferating effect is reflected on other industries which, in turn, will need more personnel.

At present, unemployment is the main concern of the modern trade union movement, as we have noted in these columns on previous occasions. In some countries, such as France for example, in addition to the Ministry of Labor, they have created the Ministry of Employment to battle against unemployment.

When it is claimed that the fundamental concern of the modern trade union movement is the battle against unemployment, it means that the effort on behalf of better wages has to some extent assumed a secondary importance. Many workers may perhaps not understand this, but the fact is that, in a crisis situation, a wage increase resulting from pressure by the labor organizations could prompt the business owners to tend to rid themselves of part of their personnel in order to balance their income.

Hence, what is important for an economy in a state of crisis is not so much that the one who already has a job should earn more, but rather that jobs be given to the unemployed. Class solidarity should be interpreted in this way, and therefore the union leaders are obliged to promote that fundamental proposition among the workers, instead of encouraging them to request wage hikes. Of course, it is inevitable that the increasing cost of living due to price increases that have appeared to be unpostponable should prompt the workers (including the middle class ones) to demand more just wages. But they should in no instance be compulsory, as the CTV [Confederation of Venezuelan Workers] interprets this, but rather a result of negotiations wherein the wage-earners are fully aware that there are hundreds of thousands of their comrades who have lost their jobs; and, on the basis of that class solidarity which we have mentioned, they must strive on behalf of their finding work again.

#### The Obligation of the Trade Union Leadership

There may perhaps be trade union leaders who are afraid of losing their clientele if they fail to fight for higher wages, but a genuine union leader must make the workers conscious of the fundamental importance assumed by employment, and of the fact that so long as there are fewer jobless people there will be more opportunities for bolstering the economy, because there will be more people with money in their pockets to spend, and they will be more secure in their jobs.

Moreover, the battle against unemployment dictates a complete agreement among workers and management to eliminate obstacles in the reactivation of the economy. Such agreement is always possible if both, surmounting differences, are willing to achieve it. And there is nothing more necessary than this in times of crisis, which demand a share of sacrifice from everyone, within the bounds of their potential. Those who have more are unquestionably the ones who can give more.

We also stress the fact that this agreement, one of the premises for a recovery of the economy, will create more jobs and open the doors to thousands of unemployed. For all the foregoing reasons, we think that the trade union

leadership should direct its influence toward the achievement of an agreement such as that called for in the Social Pact, of key importance in combating the unemployment problem.

#### Facing an Unexpected Reality

We are not unaware that there are matters difficult to understand and accept, because we are faced with a virtually unknown situation; and perhaps for that very reason we lack preparation for comprehending the reality and what we must do to overcome it. But efforts must be made to adopt those unprecedented courses of action and to traverse them without protest.

This applies to the problem that we are discussing now, both for business owners and workers, and for all Venezuelans in general. The former, as was noted in a recent government statement regarding the position assumed by large business sectors concerning the problem of the increase in electrical service rates, cannot insist upon accruing "traditional earnings that are possible only in times of prosperity" (although we think that, whatever the time, no earnings can be excessive). As for the latter, that is to say, the workers on various levels, their capacity for understanding should be stimulated by their leaders, so that they will accept as valid and good the proposition on the battle against unemployment as a priority over wage hikes. This does not mean waiving the latter, but rather adapting them to the requirements of a situation that is affecting all of us.

If the Venezuelan economy is not backed by the understanding of workers and management, in addition to the measures adopted by the government, its reactivation will hardly be achieved and, therefore, a crisis which had its origin in the squandering of the oil capital, wherein all of us participated, some more and others less, will become more troublesome.

2909

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VENEZUELA

VARIOUS SECTORS ADVOCATE NEED FOR SOCIOPOLITICAL TRUCE

Need for National Consensus

Caracas EL NACIONAL in Spanish 29 Aug 84 p A-1

[Text] A political and social truce, of a scope similar to that of the Pact of Punto Fijo, signed in 1958, is being negotiated by a group of individuals prominent in national affairs, who at the outset will set up a commission for coordination and dialog.

It was learned from business sectors that the promoters of the idea are Drs Emilio Conde Jahn, former chairman of FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry], Tomas Enrique Carrillo Batalla and Carlos Savelli Maldonado, with the backing of the Catholic Church in the person of Cardinal Jose Lebrun.

The members of the commission for national coordination and dialog are of the opinion that the effects of the Pact of Punto Fijo no longer exist, and that those of the Social Pact are limited. Hence, they believe that a general truce will prevent an urban social explosion as a result of the economic adjustments and the new system in that area which has brought about an understandable inflation.

Similarly, there is a conviction that the truce would be a relief for the nation, and might produce a scenario wherein the factors of power and the parties would make their adjustments so as to operate in harmony with the society that has been derived from the oil crisis, the crisis that has caused centralism and the crisis of national identity.

Political Leaders' Views

Caracas EL NACIONAL in Spanish 30 Aug 84 p D-14

[Text] Several years ago, it became stylish to talk about national consensus, coordination or concentration. All the political leaders, beginning with Romulo Betancourt, were stressing the need for the country's unity, in view of the threat of a crisis of serious proportions. Nevertheless, this idea was never implemented.

In the election campaign, Jaime Lusinchi offered the Social Pact and, after 6 months of his government, many agree on saying that this plan has not yet succeeded.

Yesterday, a report appeared on the front page of EL NACIONAL mentioning a "political and social truce" that was reportedly being negotiated by leading personages. Cited among the organizers were Emilio Conde Jahn, Tomas Enrique Carrillo Batalla and Carlos Savelli Maldonado, backed by the Catholic Church in the person of Cardinal Jose Ali Lebrun.

That report claims that these individuals think that Venezuela needs a national coordination and dialog, with features and effects similar to those of the Pact of Punto Fijo. They also believe that the country needs "a rest," so that the power factors may make the pertinent adjustments for dealing with the crisis that has now appeared in all its fullness.

We talked with Gonzalo Barrios, president of AD [Democratic Action], Eduardo Fernandez, secretary general of COPEI [Social Christian Party], and Pompeyo Marquez, secretary general of MAS [Movement Toward Socialism]; and none of them claimed to know about this plan.

Although they differ in their opinions and in their concept of the country's problems, they have an agreement that is noted as soon as one talks with them: No one, not even the coalition government, wants a truce that would remind them of the Pact of Punto Fijo. The actual situation is different now, and the needs of Venezuela and its inhabitants are different from those of 1958.

And, moreover, the country's great leaders know their respective roles very well. Gonzalo Barrios feels that he is the government, and as such requests understanding and sacrifice of the opposition. Eduardo Fernandez feels that he is the opposition, and as such thinks that the government bears the maximum blame and is not fulfilling its role with respect to the crisis completely.

Pompeyo Marquez cites the need for an atmosphere conducive to understanding, but at all times within the context of the political struggle.

#### Gonzalo Barrios: the Opposition Must Sacrifice Its Emotions

At first, Gonzalo Barrios was hesitant about making a statement, because he did not have accurate information on the proposal for coordination reported yesterday in EL NACIONAL.

"But has a new Pact of Punto Fijo, a new coalition government, been proposed?"

"Those are big words; I don't think that this has been proposed at present."

"But is there a need for a national truce?"

"It depends on the kind of truce, among whom, among which forces. What there should be is not a truce, but rather understanding of the problems on the part

of those who are opposed to the government's solutions. These solutions should be considered carefully and accepted when they have sufficient grounds. So I think that the truce would be, rather, between the opposition and its emotions and private interests."

We remarked: "But the government would also have its share of the problem. It should explain the bases of the solutions that it is proposing."

"I think that if explanations are requested, the government gives them. I repeat, the truce should be among the opposition, between its political and sectarian interests and the national reality. And I don't want to say anything else."

#### Eduardo Fernandez: the Areas Must Be Clearly Defined

Eduardo Fernandez gave a reminder that when COPEI was in the government, he made the proposal for a policy of national coordination, to deal successfully with the problems. Something similar to what Great Britain did during World War II, when it called for a policy of national unity to cope with the difficulties of the time.

"We in COPEI are clearly aware of the dimensions of the crisis and of the obligations that coping with this situation impose upon us."

Then he claimed that a coalition government has not been proposed at present.

"I believe that it is quite important for the country that the areas be clearly defined. The electorate gave AD the responsibility for governing; and, certainly, the impression that the public has is that the crisis is worsening, because the government does not have a clearcut, precise direction, and because it has been incapable of winning the battle of confidence and incapable of calling for national unity."

He said that the electorate gave COPEI the responsibility for exercising the essential function of the opposition. "We have said to the point of satiety that our intention is to make the opposition an instrument of national service, and COPEI will always be willing to offer its contribution to any effort for national understanding that will help to solve the problems facing the country."

But then he pointed out that, in solving the crisis, the national government bears the main responsibility, not only because of the confidence and the margin of votes given to it by the country on 4 December, but also because the Venezuelan people have expressed their willingness to help.

"Nevertheless, I think that during these past 6 months there has been a serious deterioration in the government's level of credibility and in the level of confidence in the possibilities of making a thorough revision of the model of economic development, which was what had been proposed."

### Pompeyo Marquez: a Debate on the Crisis

The MAS leader, Pompeyo Marquez, thinks that a debate on the direction in which the country should go has been proposed. He believes that points of convergence should be found that will afford an atmosphere conducive to the reactivation required to solve Venezuela's serious problems.

"At the present time, we are open to dialog. We don't want to take pleasure in the conflict, but rather to strengthen the country."

Marquez does not believe in a coalition government either, because he disagrees with solutions that have "a bureaucratic view of matters."

What matters to him is finding effective solutions.

### FEDECAMARAS View

Caracas EL NACIONAL in Spanish 30 Aug 84 p D-14

[Text] Yesterday, Dr Adan Celis Gonzalez, chairman of FEDECAMARAS, stated that the organization considers the negotiations for attaining a political and social truce to be constructive, because an atmosphere of harmony is required to develop initiatives and to reactivate the economy.

With this comment, the business leader voiced virtual support for the initiative of a group of prominent persons who are reportedly arranging for the establishment of a commission for coordination and dialog among all sectors.

He remarked: "Based upon principles, FEDECAMARAS backs any proposal for achieving social peace, an essential element for promoting development."

Celis said that the country is faced with two major issues which require the understanding of all sectors of the nation: namely, the conversion of the economy to bring it to a logical parity of 7.50 bolivares per dollar, forgetting about the exchange rate of 4.30 for the North American unit; as well as laying the groundwork for dealing with the new country that has been presented to us in this post-oil period, entailing a change of habit in a group of positions assumed by Venezuelans.

The chairman of the top-ranking business owners' organization emphasized: "These two major issues require a genuine atmosphere of understanding among all of the country's sectors."

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VENEZUELA

STUDENT INCIDENT UNLEASHES PROTESTS

PA230410 Havana International Service in Spanish 0000 GMT 23 Sep 84

[Report by Manuel Villar, PRENSA LATINA correspondent in Caracas--recorded]

[Text] The machinegunning last Wednesday of some 200 Venezuelan University students by military units, which left 17 wounded, has unleashed in this country a general protest by political and social sectors.

The incident led to protest demonstrations by students and to clashes with security forces in most main cities in Venezuela, which so far has left one dead, many injured and a number of private and public passenger vehicles burned.

The students from the School of Agronomy and Veterinary Medicine in the city of Maracay, were fired at by members of the National Guard, following the orders of the Central University Rector Edmundo Chirinos, who did not want them to come to Caracas.

Meanwhile, the students in Caracas will demand an indemnification to the Central University Council.

Jose Vicente Rangel, former presidential candidate [Movement Toward Socialism], in statements to the news media, blamed the incident on a mistaken idea of public order.

Several political organizations have demanded the resignation of the rector of the Central University. The Federation of University Centers has also asked for Chirinos' resignation. Chirinos submitted his resignation to the Central University Council but it was not accepted.

President Jaime Lusinchi has ordered an in-depth investigation to establish culpability. He also asked the students to demand justice peacefully and to have respect for the law. He asked not to be used by those that wish to promote irrational violence.

Meanwhile, the leaders of the Federation of University Centers asked President Lusinchi to order security forces not to use military weapons against the students demonstrating and they announced a nationwide strike to protest the actions carried out by the members of the National Guard for Wednesday, 26 September.

VENEZUELA

BRIEFS

LEFTIST PARTIES REJECT DUARTE--The Communist Party of Venezuela and the Movement Toward Socialism voted against the motion to declare Salvadoran President Jose Napoleon Duarte a distinguished guest of Caracas. The municipal authorities of Caracas declared President Duarte a distinguished guest of Caracas by a majority of votes of the Democratic Action Party, the ruling party, and the Social Christian Party. Duarte will arrive in Caracas for a 3-day visit to Venezuela. [Text] [Havana International Service in Spanish 0000 GMT 14 Sep 84]

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